

ANNUAL FINANCIAL REPORT
OF THE
STATE OF MICHIGAN

FISCAL YEAR ENDED SEPTEMBER 30, 1981

Prepared By:

THE DEPARTMENT OF MANAGEMENT AND BUDGET

GERALD H. MILLER, DIRECTOR

ACCOUNTING DIVISION

JAMES J. BOLTHOUSE, DIRECTOR

WILLIAM G. MILLIKEN
GOVERNOR

STATE OF MICHIGAN

FINANCIAL REPORT

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Statements and schedules are truncated to thousands of dollars and for this reason they may not foot to the totals.

STATE OF MICHIGAN



WILLIAM G. MILLIKEN, Governor

DEPARTMENT OF MANAGEMENT AND BUDGET

STEVENS T. MASON BLDG.
P.O. BOX 30026, LANSING, MICHIGAN 48909
GERALD H. MILLER, Director

The Honorable William G. Milliken, Governor
Members of the Legislature
People of the State of Michigan

The Financial Report of the State of Michigan for the fiscal year ended September 30, 1981 has been prepared in accordance with Article IX, Section 21, of the Constitution and Public Act 222 of 1965.

This report includes transactions and balances of all monies deposited in and disbursed from the State Treasury including transactions and balances of monies administered by the State Treasurer as fiscal agent for the servicing of bonds.

Not included in this report are financial operations of: the autonomous Colleges and Universities (except for grants to these institutions from general state revenues); certain authorities such as the Mackinac Bridge, International Bridge and Mackinac Island State Park Commission bonding activities; Michigan State Housing Development Authority, the Michigan State Hospital Finance Authority, the Higher Education Facilities Authority, the State Building Authority and the Michigan Job Development Authority (except those costs appropriated for in the General Fund); commissions promoting state agriculture products; local custodial funds held by institutions in a trust capacity; local funds administered for the benefit of patients, inmates and members of institutions; the Unemployment Compensation Benefit Trust Fund, involving employer payroll taxes and unemployment benefits; and those assets, liabilities and equities of the Michigan Higher Education Assistance Authority and the State Accident Fund which are outside the Treasurer's and central accounting records. Programs and operations such as these are exempted by law from operating through the State Treasury.

This Annual Financial Report has been prepared, where possible, in accordance with the principles of financial reporting enunciated in Statement I, "Governmental Accounting and Financial Reporting Principles", of the National Council on Governmental Accounting (NCGA). This statement is published by the Municipal Finance Officers Association (MFOA).

The State of Michigan has approximately eighty individual funds which are grouped in accordance with Statement I into one of the following fund types: governmental, proprietary, and fiduciary. Each of the fund types is further divided into classifications. The governmental funds type contains the General Fund, special revenue funds, debt service funds, and capital projects funds. The fund classifications within the proprietary funds type are enterprise funds and internal service funds. Trust and agency funds are the two classifications within the fiduciary funds type.

The following briefly explains the statement presentation for this annual report. There are four basic statements presented: Combined Balance Sheet - All Fund Types and Account Group; Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds; Combined Statement of Revenues, Expenses, and Changes in Retained Earnings and Contributions/Fund Balances - Proprietary Fund Types and Similar Trust Funds; and Combined Statement of Changes in Financial Position - Proprietary Fund Types and Similar Trust Funds.

Michigan Public Act 57 of 1979 requires that a statement be included in the Annual Financial Report that contains an itemized listing of state spending paid to local units of government and a listing of total state spending for the fiscal year. The statement is to include a calculation of the proportional relationship between the total state and local spending. This statement is not included in this year's report because the information is not currently available. An amendment to Public Act 57 has been recommended that would alter this reporting requirement.

The individual statements are presented in this Annual Financial Report in accordance with a "financial reporting pyramid" concept. There are two basic levels of statement presentation; the combining level and the combined level. In the combining level statements, individual funds of a similar classification (i.e., special revenue, debt service, enterprise, etc.) are reported individually (trust funds, except retirement funds, are reported in a consolidated column) in vertical columnar form. The individual columns are totaled horizontally. Certain fund classifications (special revenue as an example) have combining statements for generic funds (i.e. transportation or conservation and recreation related) because of the large number of funds in the classification. The combined statements contain, in vertical columns, the totals for each of the fund classification's combining statements. Thus, the combined statements provide an overview of all fund classifications reported in the Annual Financial Report. It should be noted that the combined statements contain a memorandum column so that an overall total is available for all funds reported in the Annual Financial Report.

There was no unreserved fund balance in the General Fund at September 30, 1981. The statutorily authorized transfer from the Counter-Cyclical Budget and Economic Stabilization Fund was \$16.3 million (including earned interest). That fund had a September 30, 1981 fund balance of \$2.2 million, compared to \$9.5 million at the end of the previous year.

Respectfully submitted,



Gerald H. Miller
Director

March 12, 1982

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FINANCIAL SECTION

GENERAL PURPOSES OF THE FINANCIAL SECTION



STATE OF MICHIGAN
OFFICE OF
ALBERT LEE, C.P.A.
AUDITOR GENERAL
LANSING

Franklin C. Pinkelman, C.P.A.
Deputy

The Honorable William G. Milliken, Governor
Members of the Legislature

March 12, 1982

We have examined the general purpose financial statements of the State of Michigan as of September 30, 1981 and for the fiscal year then ended, listed in the foregoing table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Department of Treasury records indicate that a substantial portion of the personal income taxes collected by the State prior to September 30, 1981 will be refunded after receipt of individual tax returns due April 15, 1982 as a result of overwithholding and property and other tax credits. However, no provision for such refunds has been made in the accompanying financial statements as required by generally accepted accounting principles because the State intends to finance the refunds with revenue received during fiscal year 1981-82. Based on Department of Treasury calculations, had such a provision been made, the unreserved fund balance of the General Fund at September 30, 1981 would have been reduced by \$556.8 million. The corresponding amount at September 30, 1980 was \$553.7 million.

Property, plant and equipment purchased with funds provided by the General Fund and certain special revenue funds, and from the proceeds of certain bond issues, have not been reported in the accompanying financial statements in a separate Statement of General Fixed Assets. In addition, accounts payable for construction in progress have not been reported as liabilities. The effect of these departures from generally accepted accounting principles on the accompanying financial statements has not been determined.

Pursuant to Act 221, P.A. 1981, the State changed its method of accounting for Medicaid Title XIX and General Assistance - Medical expenditures and related revenues from the accrual to the cash basis. This change is not in accordance with generally accepted accounting principles. The unreserved fund balance of the General Fund at September 30, 1981 would have been reduced by \$79.5 million if these expenditures and related revenues had been recorded on the accrual basis.

Unencumbered capital outlay and workproject authorization balances in the General Fund amounting to \$46.8 million were not reserved at September 30, 1981, which had the effect of increasing the unreserved fund balance by that amount. The related spending authorization was carried forward and, to the extent that continued financing of such activities is necessary, use of future revenues will be required. Generally accepted accounting principles allow, but do not require, that such balances be reserved. However, this year's treatment is inconsistent with that used in the preceding year. The unreserved fund balance of the General Fund at September 30, 1980 would have been \$66 million higher if such balances had not been reserved.

In our opinion, except for the effects of the matters discussed in the second, third, and fourth paragraphs, the general purpose financial statements referred to in the first paragraph present fairly the combined financial position of the various fund types and account group of the State of Michigan as of September 30, 1981, and the combined results of operations of such fund types and the combined changes in financial position of the proprietary fund types and retirement related trust funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the changes in the methods of accounting discussed in the two preceding paragraphs and described in Note 3 to the general purpose financial statements.

Our examination also comprehended the supplemental financial data listed in the foregoing table of contents. In our opinion, except for the effects of the matters discussed in the second and fourth paragraphs, such supplemental data, when considered in relation to the combined financial statements, presents fairly in all material respects the information shown therein.

The statistical data, listed in the foregoing table of contents, was not audited by us and, accordingly, we express no opinion on it.

Very truly yours,

ALBERT LEE, C.P.A.
Auditor General

Deloitte Haskins + Sells

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100 Renaissance Center
Detroit, Michigan 48243
(313) 446-0100
TWX 810-221-9473

The Honorable Albert Lee
Auditor General
State of Michigan
Lansing, Michigan

March 12, 1982

We have reviewed the general purpose financial statements of the State of Michigan as of September 30, 1981 and for the fiscal year then ended, listed in the foregoing table of contents, in accordance with standards established by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the State of Michigan Department of Management and Budget.

A review consists principally of inquiries of State personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As explained in note 3 to the financial statements, the State did not provide a reserve as of September 30, 1981 for unencumbered capital outlay and work project balances aggregating \$46.8 million, which had the effect of increasing the unreserved fund balance of the General Fund by that amount. Although generally accepted accounting principles do not require such a reserve, the State has consistently maintained one since 1976. The amount of such balances reserved as of September 30, 1980 was \$66.0 million.

Based on our review, except for the matters discussed in the following paragraphs, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

As explained in note 3 to the financial statements, as of September 30, 1981 the State changed its method of accounting for expenditures under the Department of Social Services Title XIX medical assistance program (Medicaid) and general assistance medical program to the cash basis which is contrary to generally accepted accounting principles which require that such expenditures be recorded on an accrual basis. The effect of this change on the accompanying financial statements was to increase the unreserved fund balance of the General Fund by \$79.5 million.

Department of Treasury records indicate that a substantial portion of the personal income taxes collected by the State prior to September 30, 1981 will be refunded after receipt of individual tax returns due April 15, 1982 as a result of overwithholding and property and other tax credits. However, no provision for such refunds has been made in the accompanying financial statements as required by generally accepted accounting principles because the State intends to finance the refunds with revenue received during the 1981/82 fiscal year. Based upon Department of Treasury calculations, had such a provision been made, the unreserved fund balance of the General Fund at September 30, 1981 would have been reduced by \$556.8 million. The corresponding amount at September 30, 1980 was \$553.7 million.

Property, plant and equipment purchased with funds provided by the General Fund and certain special revenue funds, and from the proceeds of certain bond issues, have not been reported in the accompanying financial statements in a separate Statement of General Fixed Assets. In addition, accounts payable for construction in progress have not been reported as liabilities. The effect of these departures from generally accepted accounting principles on the accompanying financial statements has not been determined.

Yours truly,

Deloitte Haskins + Sells

STATE OF MICHIGAN
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
SEPTEMBER 30, 1981
(In Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
ASSETS				
Cash (in transit and imprest funds).....	\$ 5,940	\$ 2,285	\$ -	\$ 1
Equity in State Treasurer's Common Cash Fund (Note 6).....	-	426,911	8,093	3,861
Cash with fiscal agent.....	-	-	433	94
Taxes, interest, and penalties receivable.....	738,995	95,581	-	-
Less allowance for uncollectible taxes.....	(118,797)	(14,996)	-	-
Less revenue expected to be received more than 12 months after year end.....	(12,924)	(1,924)	-	-
Amounts due from other funds (Note 3).....	12,202	33,694	35	-
Amounts receivable from federal governmental agencies.....	124,123	41,005	-	2,308
Less allowance for federal aid advance.....	-	(146)	-	-
Amounts receivable from local units of government.....	177,648	33,633	-	-
Amounts receivable from individuals.....	-	-	-	-
Amounts receivable from private carriers.....	-	6,272	-	-
Inventories.....	12,503	11,103	-	-
Security investments -- equities at cost, all others at face value less collections on principal (Note 7).....	-	50,234	21,545	16,670
Security investments -- unamortized premium or discount (Note 7).....	-	(87)	(1,920)	(1,763)
Land contracts outstanding.....	-	4,972	-	93
Other assets (Note 10).....	107,769	17,394	75	-
Land.....	-	-	-	-
Buildings and equipment.....	-	-	-	-
Allowance for depreciation.....	-	-	-	-
Amount available for retirement of bonds.....	-	-	-	-
Amount to be provided for retirement of bonds.....	-	-	-	-
Total Assets.....	\$ 1,047,461	\$ 705,934	\$ 28,261	\$ 21,267
LIABILITIES AND FUND EQUITY				
Liabilities:				
Liability to State Treasurer's Common Cash Fund (Note 6).....	\$ 232,857	\$ 107,325	\$ -	\$ -
Warrants outstanding.....	158,533	6,518	-	149
Accounts payable.....	366,117	129,351	-	41
Amounts due to other funds.....	82,925	13,522	22	-
Amounts withheld from contractors.....	-	9,893	-	65
Amounts due to other governmental agencies.....	1,760	67	-	-
Payroll taxes payable from Contribution Fund.....	-	-	-	-
Prize awards payable.....	-	42,470	-	-
Deferred revenue.....	21,744	18,388	-	101
Other liabilities.....	23,334	624	2,309	16
Bonds payable (Note 9).....	-	-	-	-
Total Liabilities.....	887,333	328,761	2,331	375
Fund Equity:				
Retained earnings and contributions.....	-	-	-	-
Fund balances:				
Reserved for encumbrances.....	36,660	60,982	-	1,802
Reserved for retirement system (Note 14).....	-	-	-	-
Other reserves (Notes 3 and 22).....	123,467	306,926	-	3,602
Unreserved (Note 3).....	-	9,263	25,929	15,486
Total Fund Equity.....	160,128	377,173	25,929	20,891
Total Liabilities and Fund Equity.....	\$ 1,047,461	\$ 705,934	\$ 28,261	\$ 21,267

The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)	
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	LONG-TERM DEBT	SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ 1,976	\$ 1,023	\$ 1,900	\$ -	\$ 13,129	\$ 17,609
11,927	3,850	693,819	-	1,148,464	1,373,485
-	-	-	-	528	121
-	-	-	-	834,577	741,523
-	-	-	-	(133,793)	(104,544)
-	-	-	-	(14,848)	(25,458)
47	-	62,941	-	108,920	86,823
-	-	14,682	-	182,118	252,635
-	-	-	-	(146)	(146)
-	254	35,793	-	247,329	108,197
-	-	7,037	-	7,037	6,369
-	-	-	-	6,272	6,873
67,862	7,475	-	-	98,944	101,526
-	-	6,785,217	-	6,873,666	5,413,646
-	-	(352,807)	-	(356,579)	(144,109)
-	-	-	-	5,066	4,633
588	1,328	125,997	-	253,153	186,211
6,901	-	-	-	6,901	6,901
19,505	31,140	-	-	50,646	48,588
(8,936)	(15,777)	-	-	(24,713)	(22,654)
-	-	-	25,324	25,324	27,995
-	-	-	651,440	651,440	655,199
<u>\$ 99,872</u>	<u>\$ 29,295</u>	<u>\$ 7,374,582</u>	<u>\$ 676,765</u>	<u>\$ 9,983,440</u>	<u>\$ 8,741,427</u>
\$ -	\$ 1,256	\$ 113	\$ -	\$ 341,553	\$ 249,330
228	1,287	73,259	-	239,977	165,566
81,276	1,616	18,068	-	597,073	521,929
105	203	12,141	-	108,920	86,823
-	-	2,920	-	12,879	15,324
-	-	2,636	-	4,464	6,831
-	-	47,593	-	47,593	35,754
-	-	-	-	42,470	47,182
1,117	-	-	-	41,353	32,316
113	8	66,029	-	92,495	73,028
-	-	-	676,765	676,765	683,195
<u>82,841</u>	<u>4,373</u>	<u>222,763</u>	<u>676,765</u>	<u>2,205,545</u>	<u>1,917,282</u>
17,030	24,921	-	-	41,952	39,384
-	-	-	-	99,446	86,811
-	-	6,257,425	-	6,257,425	5,361,219
-	-	-	-	433,996	535,910
-	-	894,393	-	945,073	800,820
<u>17,030</u>	<u>24,921</u>	<u>7,151,819</u>	<u>-</u>	<u>7,777,894</u>	<u>6,824,144</u>
<u>\$ 99,872</u>	<u>\$ 29,295</u>	<u>\$ 7,374,582</u>	<u>\$ 676,765</u>	<u>\$ 9,983,440</u>	<u>\$ 8,741,427</u>

STATE OF MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

	GOVERNMENTAL FUND TYPES			
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS
REVENUES				
Taxes.....	\$ 4,486,623	\$ 1,708,397	\$ -	\$ -
From federal agencies.....	2,240,198	362,261	-	5,095
From local agencies.....	206,645	6,342	12,359	-
From services.....	54,696	1,131	-	-
From licenses and permits.....	80,048	47,536	4,675	-
Miscellaneous.....	85,564	649,615	2,333	1,684
Total Revenues.....	7,153,776	2,775,284	19,368	6,780
EXPENDITURES				
Current:				
General government.....	350,658	312,862	80	-
Education.....	1,137,872	1,811,078	-	-
Health and welfare.....	3,284,977	-	-	-
Public safety and corrections.....	338,219	-	-	-
Conservation and recreation.....	134,995	11,774	-	68
Regulatory.....	238,005	147,643	-	-
Mental health.....	714,708	-	-	-
Transportation.....	-	645,777	-	-
Other.....	631,474	-	-	-
Capital outlay.....	52,972	290,437	-	5,168
Debt service:				
Principal retirement.....	-	-	70,430	-
Interest and fiscal charges.....	-	-	35,010	-
Total Expenditures.....	6,883,884	3,219,574	105,520	5,237
Excess of Revenues over (under) Expenditures.....	269,891	(444,289)	(86,152)	1,542
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issues.....	-	64,010	-	-
Operating transfers in.....	335,735	1,377,446	88,229	75
Operating transfers out.....	(740,686)	(955,041)	(4,428)	-
Total Other Financing Sources (Uses).....	(404,951)	486,415	83,801	75
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses.....	(135,059)	42,125	(2,350)	1,617
Fund Balances - October 1 - as previously reported....				
Effect of accounting change (Note 3).....				
Fund Balances - October 1 - restated.....	226,488	403,746	28,280	19,274
Equity transfers from other funds (Note 4).....	68,699	-	-	-
Equity transfers to other funds (Note 4).....	-	(68,699)	-	-
Equity transfers - net.....	68,699	(68,699)	-	-
Fund Balances - September 30.....	\$ 160,128	\$ 377,173	\$ 25,929	\$ 20,891

The accompanying notes are an integral part of the financial statements.

FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
	FISCAL YEAR ENDED	
	SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
EXPENDABLE TRUST		
\$ -	\$ 6,195,020	\$ 6,126,400
83,901	2,691,457	2,531,361
15,654	241,002	82,661
1,189	57,017	51,231
-	132,259	122,892
258,203	997,401	926,663
358,949	10,314,159	9,841,212
62,243	725,844	683,187
6,309	2,955,261	3,126,949
-	3,284,977	3,032,900
-	338,219	309,791
-	146,838	172,982
36,626	422,275	397,302
5,565	720,274	542,682
97,078	742,856	763,253
-	631,474	667,032
-	348,578	448,766
-	70,430	69,360
-	35,010	34,809
207,823	10,422,041	10,249,018
151,126	(107,831)	(407,806)
-	64,010	106,329
186	1,801,673	2,431,953
(2,671)	(1,702,828)	(2,337,981)
(2,485)	162,855	200,301
148,640	54,974	(207,504)
		1,649,760
		(18,183)
745,752	1,423,541	1,631,576
-	68,699	26,000
-	(68,699)	(26,530)
-	-	(530)
\$ 894,393	\$ 1,478,515	\$ 1,423,541

STATE OF MICHIGAN

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS/FUND BALANCES

PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1981

	(In Thousands)			TOTALS (MEMORANDUM ONLY)	
	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	FISCAL YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	RETIREMENT RELATED TRUST FUNDS	SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
OPERATING REVENUES:					
Operating revenues.....	\$ 420,920	\$ 45,225	\$ -	\$ 466,146	\$ 452,925
Contributions from members and employers....	-	-	670,045	670,045	639,843
Investment revenue (net).....	-	-	553,841	553,841	455,197
Court fees for administration and annuities.	-	-	3,884	3,884	3,909
Miscellaneous.....	-	-	70	70	3
Total Operating Revenues.....	420,920	45,225	1,227,841	1,693,987	1,551,879
OPERATING EXPENSES:					
Salaries, wages, and fringe benefits.....	1,381	7,364	24	8,770	9,074
Contractual services, supplies, and materials.....	4,227	10,560	159	14,947	14,886
Depreciation.....	600	4,094	-	4,695	4,229
Purchases for resale.....	327,468	16,746	-	344,214	332,646
Purchases for manufacturing.....	-	3,671	-	3,671	4,081
Benefits paid to participants or beneficiaries.....	-	-	287,295	287,295	264,412
Medical, dental, and life insurance for retirants.....	-	-	31,665	31,665	27,900
Refunds to terminated members.....	-	-	8,191	8,191	9,819
Total Operating Expenses.....	333,678	42,436	327,334	703,449	667,050
Operating Income.....	87,241	2,788	900,507	990,537	884,829
NONOPERATING REVENUES (EXPENSES):					
Interest revenue (expense).....	(42)	-	-	(42)	50
Specific tax on spirits.....	7,048	-	-	7,048	6,707
Premium reimbursement - horse race wagering.	-	-	-	-	40
Gain (or loss) on disposal of fixed assets..	-	39	-	38	(76)
Sale of surplus and salvage items.....	-	37	-	37	46
Total Nonoperating Revenues (Expenses)...	7,006	76	-	7,082	6,768
Income Before Operating Transfers.....	94,248	2,865	900,507	997,620	891,597
OPERATING TRANSFERS:					
Operating transfers in.....	2,530	207	416	3,154	3,890
Operating transfers out.....	(95,793)	(1,489)	(4,717)	(102,000)	(97,862)
Total Operating Transfers In (Out).....	(93,262)	(1,282)	(4,300)	(98,845)	(93,972)
Net Income (Loss).....	985	1,583	896,206	898,775	797,625
Retained Earnings and Contributions/Fund					
Balances (Deficit) - October 1.....	16,045	23,338	5,361,219	5,400,603	4,603,126
Equity transfers from (to) other funds.....	-	-	-	-	530
Retained earnings (deficit) at October 1, 1979 exclusive of equity transfer from other funds.....	-	-	-	-	(810)
Capitalization of fixed assets.....	-	-	-	-	132
Retained Earnings and Contributions/Fund Balances (Deficit) - September 30.....	\$ 17,030	\$ 24,921	\$ 6,257,425	\$ 6,299,378	\$ 5,400,603

The accompanying notes are an integral part of the financial statements.

STATE OF MICHIGAN
COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION
PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)	
				FISCAL YEAR ENDED	
	ENTERPRISE	INTERNAL SERVICE	RETIREMENT RELATED TRUST FUNDS	SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
SOURCES OF FUNDS:					
Working capital:					
Net income (loss).....	\$ 985	\$ 1,583	\$ 896,206	\$ 898,775	\$ 797,625
Items not requiring (providing)					
Working capital:					
Depreciation.....	600	4,094	-	4,695	4,229
Loss (gain) on disposal of					
fixed assets.....	-	(39)	-	(38)	76
Sale of fixed assets.....	-	1,026	-	1,026	820
Contributed fixed assets included					
in operating transfers.....	(1,226)	-	-	(1,226)	(2,211)
Equity transfer from (to) other funds...	-	-	-	-	530
Working Capital Provided.....	359	6,664	896,206	903,231	801,070
Increase in retained earnings due to					
capitalization of fixed assets.....	-	-	-	-	132
Total Sources of Funds.....	<u>\$ 359</u>	<u>\$ 6,664</u>	<u>\$ 896,206</u>	<u>\$ 903,231</u>	<u>\$ 801,203</u>
APPLICATION OF FUNDS:					
Acquisition of fixed assets.....	\$ 18	\$ 4,435	\$ -	\$ 4,453	\$ 7,713
Capitalization of fixed assets.....	-	-	-	-	132
Retained earnings deficit at October 1, 1979 exclusive of equity transfer					
from other funds.....	-	-	-	-	810
Net increase (decrease) in working					
capital.....	340	2,229	896,206	898,777	792,546
Total Application of Funds.....	<u>\$ 359</u>	<u>\$ 6,664</u>	<u>\$ 896,206</u>	<u>\$ 903,231</u>	<u>\$ 801,203</u>
ELEMENTS OF NET INCREASE (DECREASE) IN					
WORKING CAPITAL:					
Cash (in transit and imprest funds).....	\$ 15	\$ (19)	\$ (16)	\$ (20)	\$ 91
Equity in State Treasurer's Common					
Cash Fund.....	6,716	3,246	(204,113)	(194,150)	51,248
Investments.....	-	-	1,073,123	1,073,123	690,074
Amounts due from other funds.....	(1)	-	12,685	12,684	7,749
Amounts receivable from local units					
of government.....	-	35	(2,413)	(2,378)	3,116
Inventories.....	(716)	(1,364)	-	(2,081)	11,057
Other assets.....	128	1,129	12,163	13,421	26,031
Warrants outstanding.....	2,270	(623)	338	1,985	(1,100)
Accounts payable.....	(7,828)	(85)	145	(7,768)	(481)
Amounts due to other funds.....	(55)	(117)	14,324	14,151	17,567
Deferred revenue.....	(200)	-	-	(200)	(917)
Other liabilities.....	13	28	(10,032)	(9,991)	(11,889)
Net Increase (Decrease) in Working					
Capital.....	<u>\$ 340</u>	<u>\$ 2,229</u>	<u>\$ 896,206</u>	<u>\$ 898,777</u>	<u>\$ 792,546</u>

The accompanying notes are an integral part of the financial statements.

STATE OF MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 1 -- BASIS OF ACCOUNTING

The accounting records of the State of Michigan are maintained in accordance with constitutional and statutory provisions. Statement presentation conforms substantially to principles and standards established by Statement I, "Governmental Accounting and Financial Reporting Principles", of the National Council on Governmental Accounting.

The financial statements contained in this report are prepared on the modified accrual basis for the General, Special Revenue, Debt Service, Capital Projects, Trust, and Agency Funds (except retirement related trust funds). All other statements are prepared on the accrual basis.

Revenue and operating transfers are accrued prior to the receipt of cash if it is a material amount, measurable, available, and earned. Revenue may include certain amounts earned, including federal revenue which is recorded at the time an encumbrance is entered into, but not received in cash until a subsequent period.

Expenditures (expenses) and operating transfers are charged during the fiscal year in which a liability is incurred. Capital outlay expenditures and operating transfers, except for the State Trunkline Fund, and principal and interest payments on State debt are recorded on the cash basis. In the State Trunkline Fund, capital outlay payments in process at September 30 are recognized as liabilities.

Certain federal grant revenue and related expenditures are not on the modified accrual basis. In programs financed entirely by the federal government, expenditures and related revenues are recognized only to the extent of billings received by fiscal year end. This treatment is generally limited to State-local programs.

Since the basic principles underlying governmental accounting differ in many respects from those of commercial accounting, the following definitions endeavor to explain some of the terminology and principles of governmental accounting as applied in the State of Michigan.

Fund

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

In Michigan, funds are established by constitutional provisions, legislative enactment, or in certain cases by administrative decision.

The General and Special Revenue Funds account for taxes, fees, proceeds of bond issues, and other revenues collected to support State governmental operations and services, local units of government, and schools. Enterprise Funds are established to account for the financing of self-supporting activities which render services on a user charge basis to the general public. Financial transactions covering services and commodities furnished by designated State organizational entities to other State departments, branches, and units, or to other governmental units are accounted for in Internal Service Funds. Other funds account for servicing of State debt, the disposition of proceeds of bond issues for capital projects, accumulations of resources for the purposes of paying retirement and pension benefits, and the accountability of funds and resources held by the State as a trustee or agent.

Assets

Included are cash and receivables which are reasonably expected to be converted into cash or its equivalent in the natural course of events. Other assets might include certain advance payments, various types of inventories, and security investments.

Fixed Assets

A General Fixed Assets Account Group is not maintained. Buildings and equipment are recorded in the proprietary funds, which include all Enterprise and Internal Service Funds, at their historical cost, except for certain contributed fixed assets of the Michigan State Fair Revolving Fund which were recorded at their appraised value. In addition, land is capitalized only in the Michigan State Fair Revolving Fund.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

Depreciation

Buildings and equipment which are recorded as fixed assets in the Enterprise and Internal Service Funds are depreciated over their useful class lives under the straight-line method except for automotive equipment in the Motor Transport Revolving Fund which is depreciated under the 150% declining balance method.

Inventories

In all material areas, inventories are valued at cost.

Investments

Equity investments are recorded at cost; all other investments are recorded at par plus or minus unamortized premium or discount.

Lottery Revenues and Prizes

Revenues and prizes of the State Lottery are generally recognized as the drawings are held. Certain prizes are payable in deferred installments, which are recorded at the present value of the future payments discounted at a rate of 6%.

Deferred Revenue

Deferred revenue represents cash or other assets which have been recorded prior to fiscal year end but which will not be earned until a subsequent fiscal year.

Fund Balances

Fund balances represent the excess of assets of a fund over liabilities. This term is not applicable to the Enterprise or Internal Service Funds.

Reserved fund balances are those portions which must be segregated for some future use and which are, therefore, not available for further appropriation. Reserved amounts carry forward into the succeeding fiscal year for purposes indicated by the reservation. Unreserved fund balances are available for further appropriation.

Revenue

Revenues are resource additions attributable to a designated fiscal year which affect the fund balances or retained earnings resulting from the operations of that year.

Revenue of the State of Michigan is classified according to the source from which it originates, as follows:

- Taxes
- Revenue from federal agencies
- Revenue from local agencies
- Revenue from services
- Revenue from licenses and permits
- Miscellaneous revenue
- Revenue from operations of Enterprise and Internal Service Funds
- Revenue from operation of Trust, Retirement, and Capital Projects Funds

Revenue is further classified within each source classification as to whether it is available to further the general purposes of the fund to which it is credited (general purpose revenue) or whether it is by law restricted to finance some specific activity or group of related activities (restricted revenue). Grants from federal governmental agencies usually fall within this latter classification. Such grants are given to the State in furtherance of some specific activity, such as old age assistance, aid to dependent children, etc., and may not be expended for any other purpose.

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

Operating Transfers

Operating transfers are transactions taking place between State funds, except for residual equity transfers, and are classified separately from fund revenues and expenditures (expenses).

Authorizations

These provide authority to make expenditures and incur obligations for designated purposes. Authorizations include appropriations, authorization carry-overs from previous years, restricted revenues, and budgetary transfers.

Appropriations

These are constitutional or legislative authorizations. An appropriation is not a mandate to spend.

Appropriations for operating costs are generally limited as to amount and time during which they are available. Under such an appropriation, State departments may spend or encumber only as much of the authorized amount as is necessary for efficient operations. Unless financed by restricted revenue, any part of an appropriation which is not expended or encumbered lapses at the end of the fiscal year or reverts to the fund from which it was appropriated. Restricted revenue does not lapse, but is reserved for the purpose intended by law.

Other appropriations are made to finance specific projects, rather than for a specified period of time. Appropriations for buildings, additions thereto, or for major improvements generally fall within this category as do other one-time nonrecurring projects. The unexpended balance of such an appropriation is carried forward from year to year until the project has been accomplished. The remaining authorization balance then reverts to the fund from which it was originally appropriated.

Highway and bridge construction projects are an exception to the normal appropriation process in that authorization is not by specific legislative appropriation. After approval by the State Administrative Board, they are financed from annual legislative appropriations with funds constitutionally designated for highway purposes.

Expenditures and Expenses

Expenditures occur in governmental type funds and are charges for materials, salaries and wages, services, grants, benefits, debt service, and capital outlay incurred during a designated fiscal year which affect the fund balances resulting from operations of that period. In contrast, expenses, which occur in proprietary type funds, are those charges that are reflected in the fiscal year which receives the benefit.

Expenditures are classified by function and according to their major characteristics which are as follows:

- Current Operations
- Capital Outlay
- Debt Service

Encumbrances

Encumbrances are purchase orders and contracts or pledges which are chargeable to an appropriation and for which a part of the appropriation is reserved. Unliquidated encumbrances entered into before September 16 are recorded as a reserved fund balance. Encumbrances entered into after September 15 and not liquidated prior to October 1 must, by statute, be charged against appropriations of the succeeding fiscal year.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 2 -- FUNDS BY CLASSIFICATION

General

Special Revenue

State Aeronautics Fund
 State Trunkline Fund
 State Transportation Department Fund
 Michigan Transportation Fund
 Comprehensive Transportation Fund
 Comprehensive Transportation Bond Construction Fund
 Game and Fish Protection Fund
 Michigan State Waterways Fund
 Marine Safety Fund
 State Park Improvement Fund
 State Recreational Land Acquisition Trust Fund
 Water Pollution Control Bond Fund

State Sewer Construction Fund
 Hazardous Waste Management Fund
 Counter-Cyclical Budget and Economic Stabilization Fund
 Michigan Employment Security Act--Administration Fund
 Michigan Veterans' Benefit (Trust) Fund
 School Aid Fund
 Motor Vehicle Accident Claims Fund
 Safety Education and Training Fund
 Vietnam Veteran Era Bonus Fund
 School Bond Loan Fund
 State Construction Code Fund
 State Lottery Fund

Debt Service

Water Pollution Control Bond and Interest Redemption Fund
 Public Recreation Bond and Interest Redemption Fund
 Vietnam Veteran Era Bonus Bond Redemption Fund
 Comprehensive Transportation Bond and Interest Redemption Fund
 Trunkline Highway Bond and Interest Redemption Fund--Series I

Michigan Trunkline Bond and Interest Redemption Fund Series II thru IX
 School Loan Bond Redemption Fund
 Expressway Bond and Interest Redemption Fund
 State Park Revenue Bond Fund

Capital Projects

Public Recreation Bond Fund
 1960 Grand Rapids X-Way Construction Fund

Detroit X-Way Construction Fund

Enterprise

Liquor Purchase Revolving Fund
 Michigan State Fair Revolving Fund

Department of Natural Resources Magazine Fund

Internal Service

Correctional Industries Revolving Fund
 Federal Surplus Revolving Fund
 Central Drug Repackaging Revolving Fund

Motor Transport Revolving Fund
 Office Services Revolving Fund

Trust

Legislative Retirement Fund
 State Police Pension, Accident, and Disability Fund
 State Employees' Retirement Fund
 Public School Employees' Chapter I Retirement Fund
 Public School Employees' Chapter II Retirement Fund
 Probate Judges' Retirement Fund
 Judges' Retirement Fund
 State Office Buildings Bond Redemption Fund
 Hospital Patients' Benefit Fund
 Special Federal Bridge Replacement Fund
 Michigan State Accident Fund
 State Employees' Health Maintenance Fund
 Children's Institute Trust Fund
 Federal County Road Fund
 Gifts, Bequests, and Deposits Investment Fund

Silicosis, Dust Disease, and Logging Industry Compensation Fund
 Federal Urban Transportation System Fund
 Agricultural College Fund - Morrill Act
 Michigan Higher Education Assistance Authority Fund
 Second Injury Fund
 Municipal Employees' Retirement Fund
 Highway Topics and Safety Program Fund
 Hospital Patients' Trust Fund
 Federal Housing Administration Mortgages Escrow Fund
 Self-Insurers' Security Fund
 State Employees' Deferred Compensation Fund
 Special Assessment Deferment Fund
 State Employees' Dental Coverage Fund

Agency

Receipts Clearing Fund
 Metropolitan Planning Fund
 Escheats Fund
 Local Emergency Financial Assistance Loan Fund
 Contribution Fund (Social Security)

Airport Authorities Facilities Improvement Trust Fund
 School Emergency Loan Revolving Fund
 Toxic Substance Loan Revolving Fund
 Hazardous and Solid Waste Disposal Facilities Closure Guarantee Fund

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 3 -- ACCOUNTING CHANGES

Cash Basis, Medicaid and General Assistance Medical Expenditures

In the General Fund, the 1980-81 expenditures for Social Services' Title XIX medical assistance program and general assistance medical program were recorded on a cash basis, pursuant to P.A. 221 of 1981. This practice is not in accordance with generally accepted accounting principles and is inconsistent with the manner in which such expenditures were recorded in the 1979-80 fiscal year.

This change resulted in the nonrecognition of expenditures and accounts payable of \$157.2 million, and revenue and accounts receivable from the federal and local governments of \$77.7 million. Had the transactions been recorded, the General Fund's unreserved fund balance would have been reduced by \$79.5 million. As of September 30, 1980, the corresponding amounts were recorded; expenditures and accounts payable of \$149.8 million, revenue and accounts receivable of \$77.8 million and a net effect on unreserved fund balance of \$78.0 million.

Amounts Due from Other Funds - School Aid Fund

P.A. 94 of 1979, as amended, provides for a transfer from the General Fund to the School Aid Fund, of an amount necessary to finance specific state aid. Since there was no provision in P.A. 94 of 1979, as amended, for payments related to two Federal court orders, no General Fund cash transfer was made to the School Aid Fund. However, a \$6.8 million liability has been recognized in the General Fund "Amounts due to other funds", and a corresponding "Amounts due from other funds" has been recognized in the School Aid Fund. This amount equals the total payments of the School Aid Fund, related to these court orders during 1979-80 and 1980-81, for which no appropriations have yet been made. This is a change from the manner recorded in fiscal year 1979-80 when the inter-fund receivable and liability were not recorded. The cash will not be transferred until appropriations are provided.

General Fund - Other Reserves

\$46.8 million of capital outlay and work project balances within the General Fund have not been reserved. The spending authority, however, was carried forward to the subsequent year. This accounting treatment (no reserve) is in accordance with generally acceptable accounting principles, although it is inconsistent with previous years.

Revenue Accrual

Cigarette tax revenue, authorized by P.A. 265 of 1947, as amended, was accrued for the first time on September 30, 1981 in the amount of \$9.6 million for the General Fund and \$2.1 million for the School Aid Fund. These amounts represent tax revenue which was earned on or before September 30, 1981, but not yet collected at that date. The recognition of this revenue and the related receivables is in accordance with generally accepted accounting principles but is inconsistent with the treatment in the previous year. The corresponding amounts which may have been susceptible to accrual at September 30, 1980 have not been determined.

Fund Reclassification

The Special Assessment Deferral Fund was reclassified from the agency fund class to the trust fund class. This change was made pursuant to Public Act 403 of 1981 and is in conformance with generally accepted accounting principles although it is inconsistent with the previous year.

Effect of Accounting Change - Fiscal Year Ended September 30, 1980

Statements in this report which display comparative figures for the 1979-80 fiscal year report the effect of reclassifications which occurred during that period. Several funds were reclassified from one fund classification to another. Various transactions were reclassified between operating transfers and direct expenditures, and various expenditures were reclassified between one character of expenditure and another. Refer to the 1979-80 financial report's "notes to financial statements" for more details.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 4 -- EQUITY TRANSFERS FROM OTHER FUNDS

Two equity transfers to the General Fund took place during the fiscal year. A \$46.2 million transfer from the State Recreational Land Acquisition Trust Fund was authorized by P.A. 217 of 1981. The act provides for annual repayments beginning with fiscal year 1983-84 of at least \$4,620 thousand until the total is repaid. This is in addition to the \$3.0 million annual repayments to begin in fiscal year 1981-82 on the \$26.0 million equity transfer made in fiscal year 1979-80.

\$22.5 million was transferred from the Comprehensive Transportation Fund pursuant to P.A. 129 of 1981. These funds represented the unexpended appropriations from delinquent railroad tax funds which had been received from railroad entities. No repayment of these funds will be made.

NOTE 5 -- INTERFUND TRANSFERS

Public Act 119 of 1976 authorized a transfer of \$48.1 million from the Michigan Veterans' Benefit (Trust) Fund to the General Fund during the fiscal period ended September 30, 1976. The act provides for reimbursement from the General Fund over the period of 1979 through 1992. The transfer from the Michigan Veterans' Benefit (Trust) Fund is not stated as a liability of the General Fund as the transfer was recorded as revenue to the General Fund. Through September 30, 1981 the General Fund had reimbursed \$2.2 million of the transfer, in addition to an amount representing lost investment earnings which has been transferred from the General Fund to the Veterans' Benefit (Trust) Fund annually.

Public Act 364 of 1980 authorized a transfer of \$1.7 million from the Michigan Veterans' Benefit (Trust) Fund to the General Fund during the fiscal year ended September 30, 1981. This transfer was recorded as an operating transfer to the General Fund. Public Act 353 of 1980 provides for the reimbursement from the General Fund over the period covered by fiscal years beginning 1981 through 1984. In addition, an amount representing lost investment earnings is to be transferred from the General Fund to the Veterans' Benefit (Trust) Fund annually.

NOTE 6 -- STATE TREASURER'S COMMON CASH

The Treasurer manages the cash resources of the State so that the excess over current requirements is invested to earn income. Cash is placed in banks on both demand and time deposits. Investments are made in short-term U.S. Government securities and prime commercial paper. P.A. 105 of 1855, as amended, which regulates the disposition of common cash surplus funds, permitted the Treasurer to invest in a loan to the Chrysler Corporation. This loan is secured by a first mortgage on certain land and buildings and by a first security interest in certain equipment. This act also allows the Treasurer to purchase municipal bonds from financially troubled municipalities.

Law or administrative policies determines whether individual funds are eligible to receive (or required to pay) interest on their common cash balances. A fund may have a net negative average daily balance and be required to pay interest. Allocations of earnings are made quarterly, based upon the average daily balances of the various funds and the common cash investment earnings rate. Interest calculations are based upon Department of Treasury records, which are on the cash basis. Therefore, the individual cash balances reported in these statements may differ from those reported by the Department of Treasury due to retroactive interfund transfers recorded for accounting and reporting purposes.

STATE OF MICHIGAN
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 6 -- STATE TREASURER'S COMMON CASH (Continued)

Assets of the common cash pool are not segregated by fund. Instead, the receipts of each fund are credited to that fund's equity in the pool. Disbursements are recorded as reductions to the equities of the appropriate State funds.

The amount designated as imprest cash represents the aggregate of cash advanced to departments and agencies as approved by the State Administrative Board. Such advances are not charged against appropriation accounts, but remain at the agencies' disposal for certain disbursements. The following schedule of assets and equities (in thousands) is a summary of the State Treasurer's Common Cash as of September 30, 1981:

ASSETS

Cash on hand.....	\$ 139
Cash in banks -- demand deposits.....	61,951
Cash in banks -- time deposits.....	84,055
Short-term investments -- at cost.....	531,383
Municipal bonds -- at cost.....	1,430
Mortgages -- at cost.....	<u>150,000</u>
	<u>\$ 828,959</u>

EQUITIES

Equities of other funds (\$1,148,464 net of liability to State Treasurer's Common Cash of \$341,553).....	\$ 806,911
Agency and department imprest cash accounts and other items.....	<u>22,048</u>
	<u>\$ 828,959</u>

The market value of short-term securities at
September 30, 1981 was:

U.S. Government short-term securities.....	\$ 31,697
Prime commercial paper.....	504,227

The investment in mortgages matures on January 4, 1995 and has a stated rate of interest of 15.5 percent.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 7 -- SECURITY INVESTMENT VALUATION

The following table lists the cost and market value (in millions) of investments held by the listed fund or fund group at September 30, 1981:

<u>FUND TYPE</u>	<u>COST</u>	<u>MARKET VALUE</u>
Special Revenue		
State Recreational Land Acquisition Trust Fund.....	\$ 2.4	\$ 1.9
State Lottery Fund.....	50.0	30.5
Total Special Revenue.....	52.4	32.4
Debt Service		
Expressways Bond and Interest Redemption Fund.....	15.9	15.9
State Park Revenue Bond Fund.....	3.7	3.7
Total Debt Service.....	19.6	19.6
Capital Projects		
Detroit Expressway Construction Fund.....	14.9	15.4
Total Capital Projects.....	14.9	15.4
Trust and Agency		
Legislative Retirement Fund.....	17.2	11.3
State Police Pension, Accident, and Disability Fund.....	108.4	81.2
State Employees' Retirement Fund.....	1,231.9	934.9
Public School Employees' Chapter I Retirement Fund.....	3,737.9	2,814.8
Public School Employees' Chapter II Retirement Fund.....	466.0	345.6
Probate Judges' Retirement Fund.....	6.4	4.6
Judges' Retirement Fund.....	29.9	21.8
Other Trust Funds.....	790.5	680.9
Total Trust and Agency.....	6,388.2	4,894.7
Total All Fund Types.....	<u>\$6,475.1</u>	<u>\$4,962.3</u>

Fixed income investments are purchased with the intent that they be held until maturity. As a result, the market value is indicative of the current economic situation and not of the long-term investment outlook. In addition, interest rates on fixed income investments have increased substantially since the time of original purchase of many of the investment holdings.

NOTE 8 -- VALUE OF EXCESS PROPERTY

The value of excess property at September 30, 1981 is shown (in thousands) in the following table. Inventory is based on actual cost, except for some parcels acquired prior to 1960 which are valued at one dollar, since cost records were unavailable. Proceeds from the sale of such property will be credited to revenue when received.

Special Revenue	
State Trunkline Fund.....	\$8,966
Capital Projects	
Detroit Expressway Construction Fund.....	187
Trust Funds.....	29

STATE OF MICHIGAN
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 9 -- LONG-TERM DEBT

General Obligation Debt - Article 9, Section 15 of the 1963 State Constitution authorizes long-term borrowing, subject to approval by a majority of the electorate voting thereon at a general election.

Additional debt may be incurred, without voter approval, for the purpose of providing loans to school districts. Loan repayments are the primary funding source for debt service requirements.

Issuance of general obligation debt is subject to legislative approval, and once approved is backed by the full faith and credit of the State. General Fund appropriations are made to finance debt principal and interest requirements for all general obligation issues except School Loan Bonds, where only the excess of requirements over loan repayments is provided.

Revenue Dedicated Debt - Long-term bonds have been issued periodically for specific purposes, with the stipulation that financing of debt requirements are to come strictly from designated revenue sources. The State's general credit does not support such issues.

General Obligation and Revenue Dedicated Bonds issued and outstanding at September 30, 1981 (expressed in thousands) are as follows:

	AMOUNTS ISSUED	OUTSTANDING 9/30/81	MATURITIES		AVERAGE INTEREST RATE PERCENTAGE
			FIRST YEAR	LAST YEAR	
GENERAL OBLIGATION DEBT					
School Loan Bonds Series I-III.....	\$ 97,500	\$ 30,500	1973	1985	4.77
School Loan Bonds Series IV.....	20,000	17,100	1980	1989	4.60
School Loan Bonds Series V.....	14,000	14,000	1986	1989	9.83
Water Pollution Series II.....	15,000	11,000	1980	1990	5.99
Water Pollution Series III.....	50,000	42,000	1979	1999	4.43
Water Pollution Series IV.....	80,000	36,000	1973	1999	4.34
Water Pollution Series V.....	7,000	7,000	1986	1988	4.07
Water Pollution Series VI.....	70,000	34,000	1974	1998	4.56
Water Pollution Series VII.....	50,000	27,000	1975	1993	4.34
Public Recreation Series III.....	33,000	14,000	1974	1986	4.07
Public Recreation Series IV.....	25,000	10,000	1978	1982	5.76
Public Recreation Series V.....	11,000	8,000	1979	1989	4.60
Vietnam Veteran Bonus Series I-III.....	190,000	159,000	1976	1989	5.23
TOTAL GENERAL OBLIGATION DEBT.....	662,500	409,600			
REVENUE DEDICATED DEBT					
State Park Revenue Bonds Series I-VIII.....	19,100	12,810	1963	1996	5.78
Tax Dedicated Bonds					
State Trunkline Highway Series I.....	100,000	5,570	1959	1982	3.31
Michigan Trunkline Construction Series II-IX....	255,000	72,740	1961	1987	3.79
Michigan Comprehensive Transportation Series A..	106,250	103,850	1980	2009	8.09
Michigan Comprehensive Transportation Series B..	50,000	50,000	1982	2011	11.65
	511,250	232,160			
Joint Venture Tax Dedicated Bonds					
Detroit--Series I-IV.....	99,100	18,125	1960	1984	3.60
Grand Rapids--1960 Issue.....	18,000	4,070	1961	1985	4.12
	117,100	22,195			
TOTAL REVENUE DEDICATED DEBT.....	647,450	267,165			
GRAND TOTAL.....	\$ 1,309,950	\$ 676,765			

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 10 -- ANNUAL LEAVE ACCUMULATIONS

At September 30, 1981, annual leave balances accumulated by classified Civil Service employees receiving regular salary payments from all funds had a dollar value, including employer's retirement charge, of \$86.2 million. In accordance with rules promulgated by the Civil Service Commission, cash payment is made to an employee who separates from the classified service. The amount of this payment is based on the current pay rate and the current amount of accumulated annual leave. It is present policy to fund these payments on a "pay as you go" basis.

NOTE 11 -- SICK LEAVE ACCUMULATIONS

In accordance with Civil Service Commission rules, cash payments for accumulated sick leave balances are made to retiring employees or to the beneficiary or estate of an employee at death for employees hired prior to October 1, 1980. Employees hired subsequent to this date are not eligible to receive these payments. Payments are based on 50% of the employee's sick leave accumulation, times the pay rate in effect at time of retirement or death. Additionally, when separating from the State service for any reason other than retirement or death, employees that were hired prior to October 1, 1980 are paid a percentage of their unused sick leave at their last rate of pay in accordance with a graduated rate table which increases from 0 to 50% depending upon the balance of their sick leave hours. At September 30, 1981, these leave balances had an estimated value of \$110.3 million if paid upon separation, retirement or death at the percentages mentioned above. For appropriated funds, cash payments for sick leave at retirement or death are made from annual legislative appropriations for salaries and wages on a "pay as you go" basis. Sick leave accumulations may also be used by an employee for a personal illness or injury (or other purpose prescribed in the Civil Service rules) as a means of continuing their regular pay during the illness or injury.

NOTE 12 -- LONGEVITY PAYMENTS

At September 30, 1981, eligible employees receiving regular salary payments from all funds had earned longevity payments which were paid on December 1, 1981. These payments had a dollar value, including employer's retirement charge, of \$12.6 million. This payment will be recorded as an expenditure in the 1981-82 fiscal year. Eligibility for the longevity payment is set forth in rules promulgated by the Civil Service Commission.

NOTE 13 -- WORKERS' COMPENSATION PREMIUMS

Public Act 388 of 1913 provides for workers' compensation insurance coverage for State employees. The State is billed by the State Accident Fund for actual benefits paid plus an administrative expense surcharge of 13.78% of benefit payments. These billings are paid from annual appropriations. Premiums billed for fiscal year 1980-81 covering State employees amounted to \$14.9 million. Anticipated future liability on outstanding claims for State employees as of September 30, 1981, as calculated by the State Accident Fund, was \$48.3 million, which is not recorded in the accompanying financial statements. This represents estimated future compensation, based upon claimant's income and projected length of disability; and anticipated medical and hospital expenses at current rates.

NOTE 14 -- FUNDING OF RETIREMENT BENEFITS

In 1980-81, changes in the actuarial assumptions used for financial reporting affected each of the State retirement funds. All funds except the State Police Pension, Accident and Disability Fund are now using a graded assumed rate of return on investments of 12.1% to 6.0% as opposed to the previous assumption of 9.9% to 6.0%. The State Police Pension, Accident and Disability Fund made two actuarial assumption changes. The assumed rate of return on investments is now 8.0% as opposed to the previous assumption of 6.0%. The assumed salary and wage increase assumption is now 6.5% as opposed to the previous assumption of 5.5%. The actuarial assumptions used to determine actual contributions were approved by the retirement boards and differ from those stated.

The unfunded prior service costs, including interest, are amortized over 25 years for the Probate Judges' Retirement Fund and the Judges' Retirement Fund; 40 years for the State Police Pension, Accident and Disability Fund; and 19 years for the Legislative Retirement Fund. The unfunded prior service costs of the State Employees' Retirement Fund, the Public School Employees' Chapter I Retirement Fund and the Public School Employees' Chapter II Retirement Fund are not being amortized, but interest on the unfunded prior service costs is being provided for.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 14 -- FUNDING OF RETIREMENT BENEFITS (Continued)

As a result of the changes in the actuarial assumptions used for financial reporting, the amounts paid into the retirement funds for the year were sufficient to cover current service costs as well as to amortize prior service costs in accordance with generally accepted accounting principles.

The table below provides information on the actuarially determined present value of benefits, net assets available for benefits, and the fiscal year 1980-81 contribution from all sources, by retirement fund. The majority of the contributions were provided by the General Fund and the Special Revenue Funds. All figures are in millions.

<u>Fund</u>	<u>Date of Latest Actuarial Information</u>	<u>Vested Benefits</u>	<u>Non-Vested Benefits</u>	<u>Net Assets (At Cost) Available for Benefits</u>	<u>1980-81 Contributions- All Sources</u>
Legislative Retirement Fund.....	9/30/80	\$ 16.5	\$.6	\$ 21.7	\$ 1.7
State Police Pension, Accident and Disability Fund.....	9/30/81	171.2	1.5	132.6	24.5
State Employees' Retirement Fund....	9/30/80	941.6	91.4	1,175.7	143.5
Public School Employees' Chapter I Retirement Fund.....	9/30/80	3,513.0	164.8	3,531.6	418.7
Public School Employees' Chapter II Retirement Fund.....	9/30/80	623.6	17.0	490.9	81.6
Probate Judges' Retirement Fund.....	9/30/80	7.6	.5	6.8	.5
Judges' Retirement Fund.....	9/30/80	34.1	8.1	30.2	3.1

Article IX of the State's 1963 Constitution requires annual funding of military retirement benefits for State employees' current service costs of benefits accrued. National Guard retirement benefits have been paid from the General Fund pursuant to legislative appropriations on a "pay as you go" basis. Current year benefits were \$689 thousand. According to an actuarial study, dated May 25, 1979, the unfunded liability for military retirement amounted to approximately \$12.5 million at December 31, 1978.

NOTE 15 -- CAPITAL OUTLAY CONTRACTS OUTSTANDING

An undetermined amount of payables for capital outlay in place has not been recorded due to the recording of expenditures for these purposes on a cash rather than an accrual basis.

At September 30, 1981, there were outstanding contracts in excess of capital outlay appropriations for the General Fund in the amount of \$10.1 million. Future appropriations will be necessary to complete these projects.

NOTE 16 -- UNEARNED CONTRACTS

The balances of contracts not earned by construction contractors and design and engineering firms at September 30, 1981, are shown (in thousands) in the following table:

Special Revenue	
State Aeronautics Fund.....	\$ 2,657
State Trunkline Fund.....	134,401
Capital Projects	
Detroit Expressway Construction Fund....	591
Trust Funds.....	41,769

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 17 -- LITIGATION

The State is a party to various legal proceedings seeking damages or injunctive or other relief. In addition to routine litigation, certain of these proceedings could, if unfavorably resolved from the point of view of the State, substantially affect State programs or finances. These lawsuits involve programs primarily in the areas of corrections, social services, tax collection and commerce. Relief sought includes alleviation of prison overcrowding, improvement of prison medical care, changes in Medicaid eligibility standards and disbursement policies, exemption from the Single Business Tax and reductions in Catastrophic Claims Act assessments. The ultimate dispositions and consequences of all of these proceedings are not presently determinable, but will not, in the opinion of the Attorney General of the State, have a material adverse effect on the State's financial position.

NOTE 18 -- SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The State operates three enterprise funds. The Liquor Purchase Revolving Fund accounts for the State's activities in the distribution of liquor at the wholesale and retail levels. The fund is also used to account for certain liquor taxes that generate revenue for other State activities. Statutorily defined free-cash balances of the fund are transferred to the General Fund. The Michigan State Fair Revolving Fund records the results of the annual State Fair and periodic rental of fairground facilities. The General Fund provides periodic transfers by way of improvement of facilities as well as making up any free-cash deficit. The Department of Natural Resources Magazine Fund accounts for the production and sale of various publications. Segment information for the fiscal year ended September 30, 1981 (in thousands) was as follows:

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES.....	\$ 417,545	\$ 2,232	\$ 1,142	\$ 420,920
DEPRECIATION.....	294	304	1	600
OPERATING INCOME (LOSS).....	88,403	(1,069)	(92)	87,241
OPERATING TRANSFERS:				
IN.....	67	2,453	9	2,530
OUT.....	(95,746)	(26)	(20)	(95,793)
TAX REVENUES.....	7,048	-	-	7,048
NET INCOME (LOSS).....	(227)	1,241	(28)	985
BUILDINGS AND EQUIPMENT:				
ADDITIONS.....	67	1,161	16	1,244
DELETIONS.....	(19)	-	-	(19)
NET WORKING CAPITAL.....	-	-	(438)	(438)
TOTAL ASSETS.....	85,466	13,523	883	99,872
TOTAL EQUITY.....	4,824	12,629	(423)	17,030

STATE OF MICHIGAN
NOTES TO FINANCIAL STATEMENTS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 19 -- BUDGETARY OVERDRAFTS

A summarization of overexpenditures or overencumbrances (in thousands) as of September 30, 1981 follows:

General Fund

Judicial.....	\$	199
Management and Budget.....		2
Education.....		7,029
Public Health.....		1,463
Mental Health.....		13,870
Social Services.....		15,874
Corrections.....		37
Military Affairs.....		7
Commerce.....		22
Labor.....		1,623
Natural Resources.....		902
Common cash interest charges.....		23,161
Items not assigned to departments.....		499
General Fund Total.....	\$	<u>64,692</u>

Special Revenue Funds

Game and Fish Protection Fund.....	\$	21
State Aeronautics Fund.....		4
State Trunkline Fund.....		6
Comprehensive Transportation Fund.....		89
School Aid Fund.....		898
Water Pollution Control Bond Fund.....		8,057

All budgetary overdrafts, above, are summarized totals and resulted from agencies exceeding individual line item authorizations except in the Water Pollution Control Bond Fund. Expenditures and encumbrances exceeded the total 1980-81 fund authorization in the Water Pollution Control Bond Fund. The balance sheet reflects an unreserved fund deficit of \$21.5 million, which is the cumulative total of the overdraft in 1979-80 of \$13.5 million and the 1980-81 overdraft of \$8.0 million. The fund deficit will be eliminated by an additional \$33.0 million bond issue, authorized by P.A. 76 of 1968, and anticipated during 1981-82.

The \$23.1 million shown for "Common cash interest charges" represents the net of interest earnings less interest charges, computed for the State Treasurer's Common Cash distribution, on the average daily cash balance/deficit attributed to the General Fund. There was no 1980-81 appropriation to fund such charges.

NOTE 20 -- OTHER ASSETS - GENERAL FUND

Included in "other assets" of the General Fund is a receivable of \$64.5 million from the State Building Authority. Of this receivable, \$24.2 million was recorded as of September 30, 1980.

The State Building Authority was created by Public Act 183 of 1964, as amended, as a body corporate, separate, and distinct from the State. The trustees of the Authority are appointed by the Governor with the advice and consent of the Senate. The purpose of the Authority is to finance acquisition or construction of facilities to be leased to the State or any State agency. The receivable represents funds advanced to the Authority for buildings which will eventually be leased back to the State. Collectability of the receivable is subject to a bond sale by the Authority.

NOTE 21 -- UNEMPLOYMENT COMPENSATION

The Michigan Employment Security Commission bills the State for the actual amount of claims paid to former State employees. The State does not accrue liabilities for future unemployment compensation payments. Billings are paid on a "pay as you go" basis. During the 1980-81 fiscal year, the amount of claims paid to former State employees was \$17.0 million. Future year payments have not been estimated.

STATE OF MICHIGAN

NOTES TO FINANCIAL STATEMENTS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

NOTE 22 -- GENERAL FUND BALANCES - OTHER RESERVES

"Other reserves" on the General Fund balance sheet at September 30, 1981 consist of the following (in thousands):

Reserved for unencumbered restricted revenue balances (except capital outlay).....	\$ 101,757
Reserved for unencumbered restricted revenue -- capital outlay....	1,036
Reserved for long-term advances.....	20,673
	<u>\$ 123,467</u>

NOTE 23 -- MOTOR VEHICLE ACCIDENT CLAIMS FUND - CLAIMS AGAINST UNINSURED MOTORISTS

As of September 30, 1981, all claims filed against the Motor Vehicle Accident Claims Fund, but as yet unsettled, amounted to \$1.0 million. Because many of these claims will be settled for an amount less than claimed and others will be resolved without cost to the fund, the State's actual liability with respect to these claims cannot be determined.

Claims which have been settled but unreimbursed by uninsured motorists found at fault amounted to \$39.0 million at September 30, 1981. Of this amount, approximately \$31.6 million is anticipated to be uncollectable. Because of the poor history of recoveries of such settlements this amount has not been reflected in the financial statements by the recognition of revenue and the corresponding amount receivable.

NOTE 24 -- OUTSTANDING LOANS TO SCHOOL DISTRICTS - SCHOOL LOAN BOND REDEMPTION FUND

Because there are no specific requirements for repayment, the School Loan Bond Redemption Fund balance sheet does not include \$88.3 million of loans made by the State to local school districts and \$25.1 million of interest due on these loans. In accordance with Public Act 66 of the Second Extra Session of 1963, repayments from school districts are to be used first to pay interest due and redeem bonds that mature within twelve months from the repayment date. Repayments in excess of these requirements will be available for additional loans to school districts through the School Bond Loan Fund.

NOTE 25 -- BUDGET - ACTUAL COMPARATIVE STATEMENT

Generally accepted accounting principles, for governmental entities, prescribe certain basic financial statements that must be included in the general purpose financial statement of the entity. All of the required statements are included in the current report except the combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual. This statement is not included because budgeted revenues (statutory revenue estimates) are not available for the general fund and all special revenue funds.

NOTE 26 -- SUBSEQUENT EVENT - SHORT TERM BORROWING

The Constitution provides that the legislature may authorize the issuance of short term notes, the principal amount of which may not exceed 15% of undedicated revenues received in the preceding year. The Constitution also provides that such notes must be repaid within the fiscal year of the borrowing. Based upon such revenues for the fiscal year ended September 30, 1981, the State may issue short term securities, the outstanding amount of which may not exceed \$647.8 million.

On October 1, 1981, the State issued general obligation notes aggregating \$500 million. The notes, which have an effective interest rate of 14.3% are due as follows: \$350 million on September 15, 1982 and \$150 million on September 30, 1982. A comparable amount was borrowed in February 1981 and repaid in September 1981.

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FINANCIAL SECTION

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STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - BY CLASSIFICATION

SEPTEMBER 30, 1981

(In Thousands)

TRANSPORTATION
RELATED

ASSETS

Cash (in transit and imprest funds).....	\$ 102
Equity in State Treasurer's Common Cash Fund.....	353,494
Taxes, interest, and penalties receivable.....	3,190
Less allowance for uncollectible taxes.....	(2,655)
Less revenue expected to be received more than 12 months after fiscal year end.....	(153)
Amounts due from other funds.....	21,588
Amounts receivable from federal governmental agencies.....	35,592
Less allowance for federal aid advance.....	-
Amounts receivable from local units of government.....	18,863
Amounts receivable from private carriers.....	6,272
Inventories.....	11,103
Security investments--equities at cost, all others at face value less collections on principal.....	-
Security investments--unamortized premium or discount.....	-
Land contracts outstanding.....	4,972
Other assets.....	1,546
Total Assets.....	\$ 453,917

LIABILITIES AND FUND BALANCES

Liabilities:

Liability to State Treasurer's Common Cash Fund.....	\$ -
Warrants outstanding.....	5,697
Accounts payable.....	118,852
Amounts due to other funds.....	10,046
Amounts withheld from contractors.....	9,893
Amounts due to other governmental agencies.....	67
Prize awards payable.....	-
Deferred revenue.....	15,579
Other liabilities.....	217
Total Liabilities.....	160,353

Fund Balances:

Reserved for encumbrances.....	31,406
Other reserves:	
Reserved for unencumbered restricted revenue balances (except capital outlay).....	94,112
Reserved for unencumbered capital outlay and work projects.....	164,727
Reserved for airport revolving loans.....	1,086
Reserved for long-term loans to motor carriers.....	-
Reserved for prize awards.....	-
Reserved for long-term interfund advance.....	-
Total Other Reserves.....	259,926
Unreserved.....	2,231
Total Fund Balances.....	293,563
Total Liabilities and Fund Balances.....	\$ 453,917

CONSERVATION AND RECREATION RELATED	OTHER	TOTALS	
		SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ 427	\$ 1,756	\$ 2,285	\$ 3,455
35,431	37,984	426,911	444,863
-	92,391	95,581	88,618
-	(12,340)	(14,996)	(14,664)
-	(1,771)	(1,924)	(2,086)
1,577	10,528	33,694	19,712
788	4,624	41,005	49,320
(146)	-	(146)	(146)
33	14,736	33,633	20,964
-	-	6,272	6,873
-	-	11,103	11,351
-	50,234	50,234	50,234
-	(87)	(87)	(98)
-	-	4,972	4,519
10,177	5,670	17,394	16,715
<u>\$ 48,290</u>	<u>\$ 203,726</u>	<u>\$ 705,934</u>	<u>\$ 699,631</u>
\$ -	\$ 107,325	\$ 107,325	\$ 89,395
137	683	6,518	22,717
815	10,284	129,951	102,305
21	3,454	13,522	2,986
-	-	9,893	11,937
-	-	67	67
-	42,470	42,470	47,182
-	2,809	18,388	17,878
95	311	624	1,413
<u>1,068</u>	<u>167,338</u>	<u>328,761</u>	<u>295,884</u>
28,806	770	60,982	39,922
5,075	22,242	121,430	153,005
13,929	87	178,744	190,949
-	-	1,086	749
1,720	-	1,720	2,333
-	1,394	1,394	1,341
-	2,549	2,549	2,675
<u>20,725</u>	<u>26,274</u>	<u>306,926</u>	<u>351,053</u>
(2,311)	9,343	9,263	12,770
47,221	36,388	377,173	403,746
<u>\$ 48,290</u>	<u>\$ 203,726</u>	<u>\$ 705,934</u>	<u>\$ 699,631</u>

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - BY CLASSIFICATION
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

				TOTALS	
	TRANSPORTATION RELATED	CONSERVATION AND RECREATION RELATED	OTHER	FISCAL YEAR ENDED	
				SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
REVENUES					
Taxes.....	\$ 676,697	\$ 5,964	\$ 1,025,734	\$ 1,708,397	\$ 1,678,336
From federal agencies.....	171,284	10,119	180,857	362,261	342,837
From local agencies.....	6,342	-	-	6,342	6,806
From services.....	1,131	-	-	1,131	1,074
From licenses and permits.....	20,155	24,800	2,580	47,536	42,563
Miscellaneous.....	63,704	64,814	521,096	649,615	613,272
Total Revenues.....	939,315	105,699	1,730,269	2,775,264	2,684,889
EXPENDITURES					
Current:					
General government.....	-	-	312,862	312,862	295,508
Education.....	-	-	1,811,078	1,811,078	1,933,474
Public safety and corrections.....	-	-	-	-	2,952
Conservation and recreation.....	-	11,774	-	11,774	29,473
Regulatory.....	-	-	147,643	147,643	129,313
Transportation.....	645,777	-	-	645,777	669,645
Capital outlay.....	271,726	18,710	-	290,437	356,438
Total Expenditures.....	917,504	30,484	2,271,585	3,219,574	3,416,808
Excess of Revenues over (under)					
Expenditures.....	21,811	75,214	(541,315)	(444,289)	(731,918)
OTHER FINANCING SOURCES (USES)					
Proceeds from bond issues.....	50,004	-	14,006	64,010	106,329
Operating transfers in.....	604,110	8,811	764,524	1,377,446	1,670,867
Operating transfers out.....	(683,516)	(40,187)	(231,337)	(955,041)	(1,280,829)
Total Other Financing Sources (Uses)...	(29,401)	(31,376)	547,193	486,415	496,367
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses.....	(7,590)	43,837	5,878	42,125	(235,551)
Fund Balances - October 1 - as previously reported.....					599,564
Effect of accounting change.....					65,733
Fund Balances - October 1 - restated.....	323,653	49,583	30,509	403,746	665,297
Equity transfers from (to) other funds.....	(22,499)	(46,200)	-	(68,699)	(26,000)
Fund Balances - September 30.....	\$ 293,563	\$ 47,221	\$ 36,388	\$ 377,173	\$ 403,746

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STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED

FISCAL YEAR ENDED SEPTEMBER 30, 1981

STATE AERONAUTICS FUND

This fund, established by P.A. 327 of 1945, is a special revenue fund administered by the Department of Transportation for construction and improvement of airports. Its budget is subject to annual legislative review and appropriation. Financing consists mostly of federal and local contributions and a transfer from the Comprehensive Transportation Fund. Expenditures and transfers are for administration, capital improvement, and local airport improvement project costs.

STATE TRUNKLINE FUND

This fund is administered by the Department of Transportation for construction and maintenance of highways. Its budget is subject to annual legislative review and appropriation. Financing consists primarily of a transfer from the State Transportation Department Fund, federal aid, and local participation. Expenditures and transfers are for administration, highway maintenance and construction, debt service, and various contractual obligations.

Under an arrangement with the Federal Highway Administration, the department has, over a period of years, qualified a number of construction projects financed from bond issues without placing them under a reimbursement agreement. These deferred federal aid projects may be converted to current reimbursement at the option of the department, to the extent of bond retirement, provided that there are adequate federal aid allocations. This arrangement was worked out between the states and the federal government so that the states could obtain federal reimbursement not received during the construction period, in case a relatively greater amount of federal aid became available at some later date. Presently, the conversion of deferred projects would replace programming of current construction projects. The department is already getting the maximum federal funds available to it by obtaining aid on current projects.

In accordance with statutory provisions, the unexpended or unencumbered balance at the close of the fiscal year is appropriated for capital outlay highway and bridge construction. This balance is included as a reserve at the end of the fiscal year to apply on the State's share of outstanding construction contracts. Any outstanding contracts in excess of this reserve are financed from subsequent years' revenue.

STATE TRANSPORTATION DEPARTMENT FUND

The fund, established by P.A. 444 of 1978, is administered by the Department of Transportation. Its budget is subject to annual legislative review and appropriation. Financing is provided by a transfer from the Michigan Transportation Fund. Transfers are then made to the State Trunkline Fund and Comprehensive Transportation Fund as provided by statutory formulae.

MICHIGAN TRANSPORTATION FUND

This fund, established by P.A. 51 of 1951, Sec. 10, as amended, is administered jointly by the Department of Transportation and the Department of State. In addition, a number of types of revenue are collected by the Department of Treasury. The fund is a receiving fund for the several tax revenues dedicated to highway purposes. Transfers are made to the General Fund to pay the cost of collection of the dedicated revenues and to the State Transportation Department Fund and the Michigan State Waterways Fund in accordance with the statutory formulae. Expenditures consist of grants to counties, cities, and villages for highway purposes in accordance with statutory formulae and pursuant to P.A. 5 of 1967 (Extra Session), Sec. 91, to the Mackinac Bridge Authority to apply on payment of principal and interest of the outstanding bonds so bridge tolls can be reduced.

COMPREHENSIVE TRANSPORTATION FUND

The Comprehensive Transportation Fund was created by Public Acts 326, 327, and 328 of 1972 and Public Act 197 of 1973. Further additions and amendments to the laws governing this fund were enacted in 1975, being Public Acts 195, 196, and 239.

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - TRANSPORTATION RELATED (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

COMPREHENSIVE TRANSPORTATION FUND (Continued)

The fund, under the direction of the Department of Transportation, was created for the purpose of planning and development of public transportation systems within the State. In accordance with statutory provisions, any unencumbered balance, at fiscal year end, from the Department of Transportation's 1979-80 and 1980-81 annual appropriation acts shall be used for projects contained in the annual State transportation plans of 1979-80 and 1980-81. All other unencumbered balances are reserved for projects contained in an annual State transportation program approved by the Legislature.

Financing is provided by a transfer from the State Transportation Department Fund, federal, local, vehicle related sales tax, and aviation related revenues.

COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND

This fund was established pursuant to Section 18(b) of P.A. 51 of 1951, as amended, to account for the proceeds of up to \$217 million of comprehensive transportation bonds. The bonds are not general obligations of the State but are payable solely out of funds restricted as to use for comprehensive transportation purposes by Section 9 of Article IX of the Michigan Constitution and irrevocably pledged by law for deposit in the Comprehensive Transportation Fund.

The State Transportation Commission approved issuance of \$106.3 million Series A bonds in 1980 and \$50 million Series B bonds in 1981. These bonds are used to finance part of the costs of constructing and acquiring comprehensive transportation projects. A majority of these projects, as approved by legislative action, are undertaken to enhance local transportation systems.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
(TRANSPORTATION RELATED)

SEPTEMBER 30, 1981

(In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	STATE TRANSPORTATION DEPARTMENT FUND
ASSETS			
Cash (in transit and imprest funds).....	\$ -	\$ 102	\$ -
Equity in State Treasurer's Common Cash Fund.....	5,246	136,418	-
Taxes, interest, and penalties receivable....	-	-	-
Less allowance for uncollectible taxes.....	-	-	-
Less revenue expected to be received more than 12 months after fiscal year end.....	-	-	-
Amounts due from other funds.....	183	7,942	3,117
Amounts receivable from federal governmental agencies.....	5,810	27,391	-
Amounts receivable from local units of government.....	3,324	14,492	-
Amounts receivable from private carriers.....	-	-	-
Inventories.....	-	11,103	-
Land contracts outstanding.....	-	4,972	-
Other assets.....	1	786	-
Total Assets.....	<u>\$ 14,566</u>	<u>\$ 203,209</u>	<u>\$ 3,117</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants outstanding.....	\$ 284	\$ 4,612	\$ -
Accounts payable.....	86	16,747	-
Amounts due to other funds.....	67	3,594	3,117
Amounts withheld from contractors.....	172	9,720	-
Amounts due to other governmental agencies.....	-	67	-
Deferred revenue.....	2,009	7,476	-
Other liabilities.....	10	196	-
Total Liabilities.....	<u>2,631</u>	<u>42,416</u>	<u>3,117</u>
Fund Balances:			
Reserved for encumbrances.....	305	5,138	-
Other reserves:			
Reserved for unencumbered restricted revenue balances (except capital outlay).....	-	-	-
Reserved for unencumbered capital outlay and work projects.....	8,313	155,654	-
Reserved for airport revolving loans.....	1,086	-	-
Total Other Reserves.....	9,399	155,654	-
Unreserved.....	2,231	-	-
Total Fund Balances.....	<u>11,935</u>	<u>160,793</u>	<u>-0-</u>
Total Liabilities and Fund Balances.....	<u>\$ 14,566</u>	<u>\$ 203,209</u>	<u>\$ 3,117</u>

MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND	TOTALS	
			SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ -	\$ -	\$ -	\$ 102	\$ 95
89,760	59,187	62,881	353,494	375,565
3,190	-	-	3,190	4,207
(2,655)	-	-	(2,655)	(3,454)
(153)	-	-	(153)	(281)
3,679	3,549	3,115	21,588	9,373
-	2,390	-	35,592	36,837
-	1,047	-	18,863	16,085
-	6,272	-	6,272	6,873
-	-	-	11,103	11,351
-	-	-	4,972	4,519
-	757	-	1,546	839
<u>\$ 93,822</u>	<u>\$ 73,204</u>	<u>\$ 65,996</u>	<u>\$ 453,917</u>	<u>\$ 462,011</u>
\$ 175	\$ 484	\$ 140	\$ 5,697	\$ 20,750
87,509	10,364	4,144	118,852	88,078
3,117	149	-	10,046	1,377
-	-	-	9,893	11,937
-	-	-	67	67
-	6,092	-	15,579	15,470
4	6	-	217	677
<u>90,806</u>	<u>17,097</u>	<u>4,285</u>	<u>160,353</u>	<u>138,358</u>
-	25,961	-	31,406	6,493
3,016	29,385	61,711	94,112	135,482
-	760	-	164,727	178,005
-	-	-	1,086	749
3,016	30,145	61,711	259,926	314,238
-	-	-	2,231	2,921
3,016	56,107	61,711	293,563	323,653
<u>\$ 93,822</u>	<u>\$ 73,204</u>	<u>\$ 65,996</u>	<u>\$ 453,917</u>	<u>\$ 462,011</u>

STATE OF MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 (TRANSPORTATION RELATED)
 FISCAL YEAR ENDED SEPTEMBER 30, 1981
 (In Thousands)

	STATE AERONAUTICS FUND	STATE TRUNKLINE FUND	STATE TRANSPORTATION DEPARTMENT FUND
REVENUES			
Taxes.....	\$ -	\$ -	\$ -
From federal agencies.....	11,368	152,033	-
From local agencies.....	1,680	3,759	-
From services.....	-	61	-
From licenses and permits.....	-	555	-
Miscellaneous.....	559	28,385	-
Total Revenues.....	<u>13,607</u>	<u>184,795</u>	<u>-</u>
EXPENDITURES			
Current:			
Transportation.....	2,610	177,204	-
Capital outlay.....	13,738	242,942	-
Total Expenditures.....	<u>16,349</u>	<u>420,146</u>	<u>-</u>
Excess of Revenues over (under) Expenditures.....	<u>(2,741)</u>	<u>(235,350)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from bond issue.....	-	-	-
Operating transfers in.....	4,159	253,924	293,754
Operating transfers out.....	(300)	(32,749)	(293,754)
Total Other Financing Sources (Uses).....	<u>3,859</u>	<u>221,175</u>	<u>-</u>
Excess of Revenues and Other Sources over (under) Expend- itures and Other Uses.....	1,117	(14,175)	-
Fund Balances - October 1.....	10,817	174,968	-
Equity Transfers from (to) other funds.....	-	-	-
Fund Balances - September 30.....	<u>\$ 11,935</u>	<u>\$ 160,793</u>	<u>\$ -0-</u>

MICHIGAN TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION FUND	COMPREHENSIVE TRANSPORTATION BOND CONSTRUCTION FUND	TOTALS	
			FISCAL YEAR ENDED	
			SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ 649,116	\$ 27,581	\$ -	\$ 676,697	\$ 714,424
-	7,804	78	171,284	181,736
-	902	-	6,342	6,798
-	1,070	-	1,131	1,074
19,528	72	-	20,155	16,773
14,477	13,497	6,784	63,704	60,958
<u>683,121</u>	<u>50,927</u>	<u>6,862</u>	<u>939,315</u>	<u>981,765</u>
 345,459	 103,604	 16,898	 645,777	 669,645
<u>-</u>	<u>-</u>	<u>15,045</u>	<u>271,726</u>	<u>344,091</u>
345,459	103,604	31,944	917,504	1,013,737
<u>337,662</u>	<u>(52,676)</u>	<u>(25,081)</u>	<u>21,811</u>	<u>(31,971)</u>
 -	 -	 50,004	 50,004	 106,329
-	52,271	-	604,110	710,816
(342,057)	(14,654)	-	(683,516)	(764,559)
<u>(342,057)</u>	<u>37,617</u>	<u>50,003</u>	<u>(29,401)</u>	<u>52,487</u>
 (4,394)	 (15,059)	 24,921	 (7,590)	 20,515
7,411	93,666	36,789	323,653	303,137
<u>-</u>	<u>(22,499)</u>	<u>-</u>	<u>(22,499)</u>	<u>-</u>
\$ 3,016	\$ 56,107	\$ 61,711	\$ 293,563	\$ 323,653

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED

FISCAL YEAR ENDED SEPTEMBER 30, 1981

GAME AND FISH PROTECTION FUND

This fund was established by P.A. 17 of 1921. It is financed principally from hunting and fishing license fees whose purpose is to support the conservation program for preservation and control of fish and wildlife. Added revenues arise from the sale of oil and gas leases and subsequent royalties. Activity in this fund consists primarily of transfers to the General Fund to finance appropriations made in the General Fund for game and fish related activities.

In addition, this fund, under provisions of P.A. 91 of 1925 as amended, makes grants through the General Fund to counties as payment in lieu of taxes on certain State owned real property purchased from this fund.

MICHIGAN STATE WATERWAYS FUND

This fund was established by P.A. 320 of 1947 and is financed primarily from watercraft registration taxes and gasoline taxes. P.A. 303 of 1967, as amended by P.A. 153 of 1974, stipulates that 25% of watercraft registration taxes are revenue to the Michigan State Waterways Fund. P.A. 328 of 1972 provides that 14% of all State-imposed taxes collected on the sale of gasoline shall be credited to the Michigan State Waterways Fund after deducting collection costs and refunds.

These revenues are directed primarily toward improvement of lake harbors, docking facilities, and inland waterways. All Michigan State Waterways Fund expenditures, other than capital outlay, are recorded in the General Fund and are financed by transfers from the Michigan State Waterways Fund.

MARINE SAFETY FUND

This fund was established by P.A. 303 of 1967 and is financed principally by 75% of watercraft registration taxes imposed by this act. Amendatory Act 153 of 1974 provided a graduated watercraft registration tax based upon the length of a vessel or motorboat. Activities of this fund consist solely of transfers to the General Fund and the Michigan State Waterways Fund for water safety education programs, law enforcement, and establishment of regulations for the operation of watercraft on the waters of this State.

STATE PARK IMPROVEMENT FUND

This fund was established by P.A. 149 of 1960 as amended, and is financed mainly by the proceeds of an authorized \$20 million revenue bond issue and from State park permit fees necessary for entry by motor vehicle into designated State parks.

The resources of this fund are subject to appropriations by the Legislature for operation, the acquisition of land, construction, development, and improvement of State parks.

STATE RECREATIONAL LAND ACQUISITION TRUST FUND

This fund was established by P.A. 204 of 1976 as amended, and is administered by the Department of Natural Resources. Revenue accrues from royalties paid by persons holding lease rights from the State for oil, gas, and minerals. The revenues, and all interest earnings, are used exclusively for the purchase of land or rights in land for hunting or fishing, and other recreational purposes, administrative expenditures, and for the payment of any taxes owed by the State on the lands.

P.A. 39 of 1979 authorized the State to make loans to motor carriers for the purpose of modifying or replacing vehicles used in the transportation of petroleum products. The act allows applicants to submit requests for loans through July 1, 1983, and loans to be made through November 1, 1983. Loans made before October 1, 1980 came from the State Recreational Land Acquisition Trust Fund. Loans made between October 1, 1980 and November 1, 1983 will be made from the General Fund. P.A. 39 requires the Legislature to annually appropriate from the General Fund to the State Recreational Land Acquisition Trust Fund the difference between interest from the loans and the interest which would have been earned had the funds been invested, as well as an amount equal to losses suffered because of defaulted loans. The act established a \$6.0 million limit on loans from this fund. At September 30, 1981 there were \$2.4 million in loans outstanding.

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - CONSERVATION AND RECREATION RELATED (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

WATER POLLUTION CONTROL BOND FUND

This fund was established by P.A. 329 of 1966 to account for the proceeds of \$285.0 million of full faith and credit bonds approved by the people in November, 1968, for the prevention and abatement of water pollution. This approval was obtained under the general authority of Section 15, Article IX, of the 1963 Constitution and P.A. 76 of 1968.

The proceeds of these bonds are used to assist local units of government in financing construction of facilities for treatment of sewage and other liquid wastes.

STATE SEWER CONSTRUCTION FUND

This fund was established by P.A. 159 of 1969 to account for the proceeds of \$50.0 million of full faith and credit bonds approved by the people in November, 1968, for the prevention and abatement of water pollution.

Expenditures are made from this fund for grants awarded between 1969 and 1972 to local units of government for construction of collecting sewers to prevent the discharge of untreated or inadequately treated sewage or other liquid wastes that enter the waters of the State.

HAZARDOUS WASTE MANAGEMENT FUND

The Hazardous Waste Management Fund was authorized by P.A. 64 of 1979 to provide for the licensing and regulation of hazardous waste disposal facility operations. Facility owners or operators are assessed a surcharge fee which is limited to an aggregate yearly amount of \$2.0 million. The act specifies that when the State Treasurer certifies to the Department of Natural Resources that the fund's balance exceeds \$30.0 million, imposition of fees is suspended until he certifies that the balance is less than \$20.0 million. The Department of Natural Resources has authority to spend these funds for the costs of long-term care of closed facilities after such responsibility has been transferred to the State under provisions of the act.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
(CONSERVATION AND RECREATION RELATED)
SEPTEMBER 30, 1981
(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND
ASSETS			
Cash (in transit and imprest funds).....	\$ 416	\$ 9	\$ -
Equity in State Treasurer's Common Cash Fund.....	6,194	4,683	2,405
Taxes, interest, and penalties receivable.....	-	-	-
Less allowance for uncollectible taxes.....	-	-	-
Amounts due from other funds.....	-	121	79
Amounts receivable from federal governmental agencies.....	561	45	-
Less allowance for federal aid advance.....	-	-	-
Amounts receivable from local units of government.....	33	-	-
Other assets.....	5,619	-	-
Total Assets.....	<u>\$ 12,825</u>	<u>\$ 4,860</u>	<u>\$ 2,485</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants outstanding.....	\$ 2	\$ 78	\$ -
Accounts payable.....	-	-	-
Amounts due to other funds.....	18	-	-
Other liabilities.....	95	-	-
Total Liabilities.....	<u>117</u>	<u>78</u>	<u>-</u>
Fund Balances:			
Reserved for encumbrances.....	275	739	-
Other reserves:			
Reserved for unencumbered restricted revenue			
balances (except capital outlay).....	1,922	-	-
Reserved for unencumbered capital outlay.....	1,925	3,725	-
Reserved for long-term loans to motor carriers.....	-	-	-
Total Other Reserves.....	3,847	3,725	-
Unreserved.....	8,585	316	2,485
Total Fund Balances.....	<u>12,708</u>	<u>4,782</u>	<u>2,485</u>
Total Liabilities and Fund Balances.....	<u>\$ 12,825</u>	<u>\$ 4,860</u>	<u>\$ 2,485</u>

STATE PARK IMPROVEMENT FUND	STATE RECREATIONAL LAND ACQUISITION TRUST FUND	WATER POLLUTION CONTROL BOND FUND	STATE SEWER CONSTRUCTION FUND	HAZARDOUS WASTE MANAGEMENT FUND	TOTALS	
					SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 427	\$ 323
7,485	5,976	6,630	1,789	265	35,431	42,245
-	-	-	-	-	-	8
-	-	-	-	-	-	(4)
218	1,157	-	-	-	1,577	1,000
35	-	146	-	-	788	727
-	-	(146)	-	-	(146)	(146)
-	-	-	-	-	33	63
-	4,557	-	-	-	10,177	8,696
<u>\$ 7,739</u>	<u>\$ 11,692</u>	<u>\$ 6,630</u>	<u>\$ 1,789</u>	<u>\$ 267</u>	<u>\$ 48,290</u>	<u>\$ 52,914</u>
\$ 34	\$ 9	\$ 11	\$ -	\$ -	\$ 137	\$ 505
6	-	807	-	-	815	2,804
2	-	-	-	-	21	17
-	-	-	-	-	95	3
<u>44</u>	<u>9</u>	<u>818</u>	<u>-</u>	<u>-</u>	<u>1,068</u>	<u>3,331</u>
272	-	27,334	184	-	28,806	32,480
-	1,282	-	1,604	267	5,075	3,747
4,488	3,789	-	-	-	13,929	12,916
-	1,720	-	-	-	1,720	2,333
4,488	6,792	-	1,604	267	20,725	18,997
2,934	4,890	(21,522)	-	-	(2,311)	(1,894)
<u>7,695</u>	<u>11,682</u>	<u>5,811</u>	<u>1,789</u>	<u>267</u>	<u>47,221</u>	<u>49,583</u>
<u>\$ 7,739</u>	<u>\$ 11,692</u>	<u>\$ 6,630</u>	<u>\$ 1,789</u>	<u>\$ 267</u>	<u>\$ 48,290</u>	<u>\$ 52,914</u>

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
(CONSERVATION AND RECREATION RELATED)
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

	GAME AND FISH PROTECTION FUND	MICHIGAN STATE WATERWAYS FUND	MARINE SAFETY FUND	STATE PARK IMPROVEMENT FUND
REVENUES				
Taxes.....	\$ -	\$ 1,495	\$ 4,469	\$ -
From federal agencies.....	1,297	1,899	-	319
From local agencies.....	-	-	-	-
From licenses and permits.....	24,788	11	-	-
Miscellaneous.....	11,024	1,011	156	790
Total Revenues.....	37,110	4,418	4,626	1,109
EXPENDITURES				
Current:				
Conservation and recreation.....	-	-	-	-
Capital outlay.....	766	3,170	-	1,820
Total Expenditures.....	766	3,170	-	1,820
Excess of Revenues over (under) Expenditures.....	36,344	1,247	4,626	(710)
OTHER FINANCING SOURCES (USES)				
Operating transfers in.....	-	4,233	-	4,428
Operating transfers out.....	(30,835)	(4,700)	(3,162)	(1,431)
Total Other Financing Sources (Uses).....	(30,835)	(467)	(3,162)	2,996
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses.....	5,509	780	1,463	2,286
Fund Balances - October 1 - as previously reported.....				
Effect of accounting change.....				
Fund Balances - October 1 - restated.....	7,198	4,001	1,021	5,408
Equity transfers from (to) other funds.....	-	-	-	-
Fund Balances - September 30.....	\$ 12,708	\$ 4,782	\$ 2,485	\$ 7,695

STATE RECREATIONAL LAND ACQUISITION TRUST FUND	WATER POLLUTION CONTROL BOND FUND	STATE SEWER CONSTRUCTION FUND	HAZARDOUS WASTE MANAGEMENT FUND	TOTALS	
				FISCAL YEAR ENDED	
				SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ -	\$ -	\$ -	\$ -	\$ 5,964	\$ 1,212
6,603	-	-	-	10,119	3,360
-	-	-	-	-	7
-	-	-	-	24,800	25,165
51,564	-	-	267	64,814	26,902
58,167	-	-	267	105,699	56,649
-	11,632	141	-	11,774	29,473
12,953	-	-	-	18,710	12,324
12,953	11,632	141	-	30,484	41,798
45,213	(11,632)	(141)	267	75,214	14,850
150	-	-	-	8,811	9,609
(57)	-	-	-	(40,187)	(36,790)
92	-	-	-	(31,376)	(27,180)
45,306	(11,632)	(141)	267	43,837	(12,329)
-	-	-	-	-	39,064
-	-	-	-	-	48,848
12,576	17,444	1,930	-	49,583	87,913
(46,200)	-	-	-	(46,200)	(26,000)
\$ 11,682	\$ 5,811	\$ 1,789	\$ 267	\$ 47,221	\$ 49,583

STATE OF MICHIGAN
DESCRIPTIONS OF SPECIAL REVENUE FUNDS - OTHER
FISCAL YEAR ENDED SEPTEMBER 30, 1981

COUNTER-CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND

This fund was created by P.A. 76 of 1977 to assist in stabilizing revenue and employment during periods of economic recession and high unemployment. In general, transfers are made from the General Fund during improving economic times. Funds flow from this fund to the General Fund in time of declining economy.

Amounts transferred to the fund are limited to actual appropriations made annually by the Legislature. Such appropriations may be based on a formula that is dependent on the annual growth rate as defined by the statute.

Transfers from the fund are based upon a formula which is dependent upon unemployment rates, however, under certain conditions the Legislature may override the formula and make appropriations from the fund. In the event that the fund balance at year end exceeds 25% of the actual General Fund general purpose revenue for the fiscal year, the law provides that the excess be rebated on the individual income tax returns filed in the following fiscal year.

MICHIGAN EMPLOYMENT SECURITY ACT -- ADMINISTRATION FUND

This fund was created by P.A. 1 of 1936 (Extra Session). The fund derives practically all of its revenue from federal grants. The Legislature does not review the budget for this activity. As its name indicates, the administrative costs of this operation are accounted for in this fund. Unemployment benefit payments to individuals are made directly by the agency from trust funds accumulated from employer premium payments and are not reflected in the State's central records.

MICHIGAN VETERANS' BENEFIT (TRUST) FUND

This fund was created by P.A. 9 of 1946 (First Extra Session). The purpose of the fund is to account for the earnings of the fund, consisting primarily of interest earned on a \$50.0 million trust corpus, and the distribution of such earnings to veterans and their beneficiaries for various assistance programs and for the administrative cost of the fund. The trust corpus has, by statute, periodically been transferred (in 1959 and 1976) to the General Fund. The statutes authorizing these transfers have provided for an annual repayment schedule from the General Fund so that the principal is restored and the annual operating needs of the trust fund are met. The fund is administered by a six member board of trustees.

SCHOOL AID FUND

This fund was created in 1955 by an amendment to the 1908 Constitution. Its continued existence was provided for by the 1963 Constitution. Its purpose is to furnish aid to school districts and school employees' retirement. Financing is provided by the constitutional dedication of sixty percent of total State sales tax revenue and statutory levies of a one mill cigarette tax and a four percent liquor excise tax, and an annual transfer from the General Fund, and as of May 13, 1981 a transfer from the State Lottery Fund equal to the net revenue remaining after allocation for prize awards and encumbrances. Payments of aid to school districts are based on a statutory formula which provides that if dedicated tax revenues are not sufficient, the deficiency is to be appropriated from the General Fund.

MOTOR VEHICLE ACCIDENT CLAIMS FUND

The Motor Vehicle Accident Claims Fund, established by P.A. 198 of 1965, was financed by a \$45 fee for uninsured motor vehicles. The purpose of this fund has been diminished by P.A. 294 of 1972. This act implemented "no fault" insurance in Michigan and requires that the owner of each motor vehicle registered in Michigan be covered by the insurance specified in the act. Since October 1, 1973, the effective date of this act, the \$45 fee for uninsured motorists has not been collected.

Currently, revenues are derived from installment repayments by uninsured motorists for claims and/or court judgments and from interest earnings. Claim settlements and administrative costs are appropriated in the General Fund where they are incorporated in the Department of State's budget. Transfers are made from the Motor Vehicle Accident Claims Fund to the General Fund to defray the cost of claims and administration.

STATE OF MICHIGAN

DESCRIPTIONS OF SPECIAL REVENUE FUNDS - OTHER (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

SAFETY EDUCATION AND TRAINING FUND

This fund was established by P.A. 24 of 1977 under the jurisdiction of the Department of Labor. P.A. 24 imposes an annual levy on each insurance carrier licensed to do workers' disability compensation business in the State, from the State Accident Fund, and from each self-insured employer. The act provides for deposit of these assessments in the Safety Education and Training Fund to finance the Safety Education and Training Division of the Department of Labor. These funds shall be annually appropriated by the Legislature for operations.

VIETNAM VETERAN ERA BONUS FUND

This fund was established by P.A. 370 of 1974, as amended, to account for the proceeds of \$200 million authorized full faith and credit bonds approved by the people in November, 1974, to provide a veteran bonus to veterans, or their beneficiaries, who served in the armed forces of the United States between January 1, 1961 and September 1, 1973. Applications for benefits under this act were to be filed or received before September 30, 1980. Administrative expenses for processing all bonus payments are on the General Fund. During 1980-81 a transfer of \$2.0 million was made to the Vietnam Veteran Era Bonus Bond Redemption Fund to apply toward bond redemption.

SCHOOL BOND LOAN FUND

The 1963 Constitution (Art. IX, Sec. 16) and P.A. 74 of 1955 authorized the issuance of State bonds to provide funds for making loans to school districts for the payment of principal and interest on school bonds under prescribed circumstances. The proceeds of State borrowing are credited to the School Bond Loan Fund and loans to school districts are made from the fund.

STATE CONSTRUCTION CODE FUND

The State Construction Code Fund was created by P.A. 371 of 1980. Fees established by the Director of the Department of Labor, as approved by the Construction Code Commission, for acts and services performed by the commission are deposited in the fund. The fees are appropriated by the Legislature for the operation of the bureau of construction codes and related indirect overhead expenses in the department.

STATE LOTTERY FUND

P.A. 239 of 1972 established the State Lottery Fund and created a Bureau of State Lottery under authority of Section 4 of Article V of the State Constitution. This authority expired on August 31, 1974, at which time the Bureau became an organizational entity in the Department of Management and Budget.

Lottery Fund revenue is generated primarily by the sale of lottery tickets. P.A. 239 of 1972 requires that, as nearly as practicable, 45% of gross ticket sales be allocated for prize awards. Prizes awarded fall into two classifications, those which are paid in one lump sum and those which are paid on an installment basis. The bulk of prizes awarded are of the lump sum payment type. The installment payments involve an initial payment with the balance spread over more than one year. The deferred payments are recorded at the present value of the future payments discounted at a rate of 6%. The discount is amortized against income over the installment term. The State Treasurer invests funds equivalent to the discounted value of installment payments and the Lottery Fund is credited with the interest earnings. As of May 13, 1981, the net revenue remaining from the sale of lottery tickets after allocation for prize awards and encumbrances is transferred to the School Aid Fund. Prior to that date the net revenue was transferred to the General Fund. Net revenue remaining from the operation of licensing and regulating bingo, other forms of gambling and charity games is transferred to the General Fund.

Revenues from the sale of subscription tickets are recognized in the period during which the related drawings are held. Revenue from the sale of other lottery tickets, commissions to agents and banks, and allocation of revenue to the prize reserve are recognized in the period during which the tickets are sold. Prize awards are transferred to the obligation account from the prize reserve when the drawings are held. Other operating expenditures are recognized in the period during which the expenditure is incurred.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
(OTHER)

SEPTEMBER 30, 1981

(In Thousands)

	COUNTER- CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND	MICHIGAN EMPLOYMENT SECURITY ACT ADMS. FUND	MICHIGAN VETERANS' BENEFIT (TRUST) FUND	SCHOOL AID FUND
ASSETS				
Cash (in transit and imprest funds)	\$ -	\$ 102	\$ 3	\$ -
Equity in State Treasurer's Common Cash Fund.....	1,401	15,195	2,172	-
Taxes, interest, and penalties receivable.....	-	-	-	92,391
Less allowance for uncollectible taxes.....	-	-	-	(12,340)
Less revenue expected to be received more than 12 months after fiscal year end.....	-	-	-	(1,771)
Amounts due from other funds.....	779	-	2,817	6,807
Amounts receivable from federal governmental agencies	-	4,366	-	258
Amounts receivable from local units of government....	-	-	501	14,235
Security investments--equities at cost, all others at face value less collections on principal.....	-	-	-	-
Security investments--unamortized premium or discount	-	-	-	-
Other assets.....	-	464	92	-
Total Assets.....	\$ 2,181	\$ 20,129	\$ 5,587	\$ 99,579
LIABILITIES AND FUND BALANCES				
Liabilities:				
Liability to State Treasurer's Common Cash Fund....	\$ -	\$ -	\$ -	\$ 99,320
Warrants outstanding.....	-	324	6	12
Accounts payable.....	-	5,567	278	246
Amounts due to other funds.....	-	3,321	-	-
Prize awards payable.....	-	-	-	-
Deferred revenue.....	-	962	-	-
Other liabilities.....	-	180	-	-
Total Liabilities.....	-	10,356	284	99,579
Fund Balances:				
Reserved for encumbrances.....	-	724	-	-
Other reserves:				
Reserved for unencumbered restricted revenue balances (except capital outlay).....	-	8,961	903	-
Reserved for unencumbered capital outlay and work projects.....	-	87	-	-
Reserved for prize awards.....	-	-	-	-
Reserved for long-term interfund advance.....	-	-	2,549	-
Total other reserves.....	-	9,048	3,452	-
Unreserved.....	2,181	-	1,850	-
Total Fund Balances.....	2,181	9,773	5,302	-0-
Total Liabilities and Fund Balances.....	\$ 2,181	\$ 20,129	\$ 5,587	\$ 99,579

MOTOR VEHICLE ACCIDENT CLAIMS FUND	SAFETY EDUCATION AND TRAINING FUND	VIETNAM VETERAN ERA BONUS FUND	SCHOOL BOND LOAN FUND	STATE CONSTRUCTION CODE FUND	STATE LOTTERY FUND	TOTALS	
						SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ 50	\$ -	\$ -	\$ -	\$ -	\$ 1,600	\$ 1,756	\$ 3,037
1,396	3,590	2,313	11,915	-	-	37,984	27,051
-	-	-	-	-	-	92,391	84,402
-	-	-	-	-	-	(12,340)	(11,205)
-	-	-	-	-	-	(1,771)	(1,805)
-	123	-	-	-	-	10,528	9,338
-	-	-	-	-	-	4,624	11,755
-	-	-	-	-	-	14,736	4,816
-	-	-	-	-	50,234	50,234	50,234
-	-	-	-	-	(87)	(87)	(98)
-	168	-	-	19	4,925	5,670	7,179
<u>\$ 1,446</u>	<u>\$ 3,883</u>	<u>\$ 2,313</u>	<u>\$ 11,915</u>	<u>\$ 19</u>	<u>\$ 56,672</u>	<u>\$ 203,726</u>	<u>\$ 184,705</u>
\$ -	\$ -	\$ -	\$ -	\$ 19	\$ 7,985	\$ 107,325	\$ 89,395
-	-	8	-	-	330	683	1,462
-	-	1,842	-	-	2,349	10,284	11,422
16	-	-	-	-	117	3,454	1,592
-	-	-	-	-	42,470	42,470	47,182
-	-	-	-	-	1,847	2,809	2,407
-	-	-	-	-	131	311	732
16	-	1,850	-	19	55,231	167,338	154,195
-	-	-	-	-	45	770	949
-	-	462	11,915	-	-	22,242	13,775
-	-	-	-	-	-	87	26
-	-	-	-	-	1,394	1,394	1,341
-	-	-	-	-	-	2,549	2,675
-	-	462	11,915	-	1,394	26,274	17,818
1,429	3,882	-	-	-	-	9,342	11,742
1,429	3,882	462	11,915	-	1,440	36,388	30,509
<u>\$ 1,446</u>	<u>\$ 3,883</u>	<u>\$ 2,313</u>	<u>\$ 11,915</u>	<u>\$ 19</u>	<u>\$ 56,672</u>	<u>\$ 203,726</u>	<u>\$ 184,705</u>

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
(OTHER)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

	COUNTER- CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND	MICHIGAN EMPLOYMENT SECURITY ACT ADMS. FUND	MICHIGAN VETERANS' BENEFIT (TRUST) FUND	SCHOOL AID FUND	MOTOR VEHICLE ACCIDENT CLAIMS FUND
REVENUES					
Taxes.....	\$ -	\$ -	\$ -	\$ 1,025,734	\$ -
From federal agencies.....	-	149,606	-	31,193	-
From licenses and permits.....	-	-	-	-	-
Miscellaneous.....	8,891	1,221	502	53	1,019
Total Revenues.....	8,891	150,827	502	1,056,981	1,019
EXPENDITURES					
Current:					
General government.....	-	-	2,917	-	-
Education.....	-	-	-	1,811,078	-
Public safety and corrections.....	-	-	-	-	-
Regulatory.....	-	147,643	-	-	-
Capital outlay.....	-	-	-	-	-
Total Expenditures.....	-	147,643	2,917	1,811,078	-
Excess of Revenues over (under) Expenditures.....	8,891	3,184	(2,414)	(754,097)	1,019
OTHER FINANCING SOURCES (USES)					
Proceeds from bond issue.....	-	-	-	-	-
Operating transfers in.....	-	1,312	3,177	760,034	-
Operating transfers out.....	(16,289)	(3,405)	(2,209)	(28)	(1,885)
Total Other Financing Sources (Uses)...	(16,289)	(2,093)	967	760,006	(1,885)
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses.....	(7,397)	1,090	(1,446)	5,909	(865)
Fund Balances - October 1 - as previously reported.....					
Effect of accounting change.....					
Fund Balances - October 1 - restated.....	9,578	8,682	6,749	(5,909)	2,295
Fund Balances - September 30.....	\$ 2,181	\$ 9,773	\$ 5,302	\$ -0-	\$ 1,429

SAFETY EDUCATION AND TRAINING FUND	VIETNAM VETERAN ERA BONUS FUND	SCHOOL BOND LOAN FUND	STATE CONSTRUCTION CODE FUND	STATE LOTTERY FUND	TOTALS	
					FISCAL YEAR ENDED	
					SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,025,734	\$ 962,698
-	-	-	58	-	180,857	157,740
-	-	-	1,892	687	2,580	624
2,855	410	-	-	506,140	521,096	525,411
2,855	410	-	1,951	506,828	1,730,269	1,646,474
-	-	5,260	-	304,685	312,862	295,508
-	-	-	-	-	1,811,078	1,933,474
-	-	-	-	-	-	2,952
-	-	-	-	-	147,643	129,313
-	-	-	-	-	-	22
-	-	5,260	-	304,685	2,271,585	2,361,272
2,855	410	(5,260)	1,951	202,142	(541,315)	(714,797)
-	-	14,006	-	-	14,006	-
-	-	-	-	-	764,524	950,440
(1,519)	(2,000)	-	(1,951)	(202,048)	(231,337)	(479,380)
(1,519)	(2,000)	14,006	(1,951)	(202,048)	547,193	471,060
1,336	(1,589)	8,745	-	94	5,878	(243,736)
-	-	-	-	-	-	257,362
-	-	-	-	-	-	16,884
2,545	2,051	3,169	-0-	1,346	30,509	274,246
\$ 3,882	\$ 462	\$ 11,915	\$ -0-	\$ 1,440	\$ 36,388	\$ 30,509

STATE OF MICHIGAN
DESCRIPTIONS OF DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981

WATER POLLUTION CONTROL BOND AND INTEREST REDEMPTION FUND

P.A. 329 of 1966 established this fund to account for retiring bond issues of the Water Pollution Control Bond Fund and State Sewer Construction Fund. The General Fund appropriates monies to meet the bond principal and interest requirements and paying agent fees.

PUBLIC RECREATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 108 of 1969 and services bond issues of the Public Recreation Bond Fund. Financing of debt retirement, interest expense, and paying agent fees is provided by annual legislative appropriation from the General Fund.

VIETNAM VETERAN ERA BONUS BOND REDEMPTION FUND

Created by P.A. 370 of 1974, the purpose of this fund is to account for the debt service of general obligation bonds which were issued to finance bonuses paid to veterans or their beneficiaries. In 1980-81, financing was provided by transfers from the General Fund and Vietnam Veteran Era Bonus Fund.

COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND

This fund was established pursuant to P.A. 51 of 1951 and services bond issues of the Comprehensive Transportation Bond Construction Fund. Financing of debt service requirements is provided by an annual appropriation in the Comprehensive Transportation Fund.

TRUNKLINE HIGHWAY BOND AND INTEREST REDEMPTION FUND -- SERIES I

This fund was established under authority of P.A. 51 of 1951. Financing of debt service requirements is provided by an annual appropriation in the State Trunkline Fund.

MICHIGAN TRUNKLINE BOND AND INTEREST REDEMPTION FUND -- SERIES II THRU IX

P.A. 51 of 1951 created the authority to establish this fund. The various series were issued in varying amounts during the period from July, 1959 to July, 1962. An administrative decision was made to place these several issues in a fund separate from the Series I bond issue. Financing of debt service requirements is provided by an annual appropriation in the State Trunkline Fund.

SCHOOL LOAN BOND REDEMPTION FUND

P.A. 74 of 1955 established this fund. Monies in this fund are utilized for payment of interest and redemption of bonds issued to provide financing for loans to school districts. Funding is furnished by an annual appropriation from the General Fund and/or repayments of loans by school districts.

EXPRESSWAY BOND AND INTEREST REDEMPTION FUND

The State Treasurer is Fiscal Agent to the Department of Transportation and certain local units of government for funds constructing expressways and for servicing bonds issued for that purpose. In summary form, this fund presents the position of several expressway serial bond issues. Resources to finance the requirements for bond interest and redemption are provided by periodic payments from participating parties and earnings on investments.

STATE OF MICHIGAN

DESCRIPTIONS OF DEBT SERVICE FUNDS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

STATE PARK REVENUE BOND FUND

This fund was created pursuant to P.A. 149 of 1960 which initiated a State park improvement program by authorizing the Department of Natural Resources to issue up to \$10 million of revenue bonds to finance land acquisition, construction, and improvement of State parks. P.A. 286 of 1967 increased the authorized amount of such revenue bonds to \$20 million.

P.A. 149 of 1960 as amended, also provides that park permit fees for motor vehicle entry into certain State parks be deposited with the State Treasurer who is designated as fiscal agent. Such proceeds are to be allocated in the following order of priority: debt service requirements, fiscal agent expenses, bond reserve, operations and park improvements as appropriated by the Legislature.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
SEPTEMBER 30, 1981
(In Thousands)

	COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND	MICHIGAN TRUNKLINE BOND AND INTEREST REDEMPTION FUND SERIES II-IX	SCHOOL LOAN BOND REDEMPTION FUND
ASSETS			
Equity in State Treasurer's Common Cash Fund.....	\$ 802	\$ 1,452	\$ 5,837
Cash with fiscal agent.....	-	-	-
Amounts due from other funds...	35	-	-
Security investments -- equities at cost, all others at face value less collec- tions on principal.....	-	-	-
Security investments - unamor- tized premium or discount....	-	-	-
Other assets.....	-	-	-
Total Assets.....	<u>\$ 837</u>	<u>\$ 1,452</u>	<u>\$ 5,837</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable.....	\$ -	\$ -	\$ -
Amounts due to other funds...	-	-	-
Other liabilities.....	<u>772</u>	<u>1,452</u>	<u>-</u>
Total Liabilities.....	<u>772</u>	<u>1,452</u>	<u>-</u>
Fund Balance:			
Unreserved.....	<u>65</u>	<u>-</u>	<u>5,837</u>
Total Fund Balance.....	<u>65</u>	<u>-0-</u>	<u>5,837</u>
Total Liabilities and Fund Balance.....	<u>\$ 837</u>	<u>\$ 1,452</u>	<u>\$ 5,837</u>

EXPRESSWAY BOND AND INTEREST REDEMPTION FUND	STATE PARK REVENUE BOND FUND	TOTALS	
		SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ - 177 -	\$ - 256 -	\$ 8,093 433 35	\$ 7,619 52 11
17,686	3,859	21,545	23,324
(1,764) -	(156) 75	(1,920) 75	(1,212) 22
<u>\$ 16,098</u>	<u>\$ 4,033</u>	<u>\$ 28,261</u>	<u>\$ 29,816</u>
\$ - 19 84	\$ - 3 -	\$ - 22 2,309	\$ 2 - 1,533
<u>103</u>	<u>3</u>	<u>2,331</u>	<u>1,536</u>
<u>15,995</u>	<u>4,030</u>	<u>25,929</u>	<u>28,280</u>
<u>15,995</u>	<u>4,030</u>	<u>25,929</u>	<u>28,280</u>
<u>\$ 16,098</u>	<u>\$ 4,033</u>	<u>\$ 28,261</u>	<u>\$ 29,816</u>

STATE OF MICHIGAN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 DEBT SERVICE FUNDS
 FISCAL YEAR ENDED SEPTEMBER 30, 1981
 (In Thousands)

	WATER POLLUTION CONTROL BOND AND INTEREST REDEMPTION FUND	PUBLIC RECREATION BOND AND INTEREST REDEMPTION FUND	VIETNAM VETERAN ERA BONUS BOND REDEMPTION FUND	COMPREHENSIVE TRANSPORTATION BOND AND INTEREST REDEMPTION FUND
REVENUES				
From local agencies.....	\$ -	\$ -	\$ -	\$ -
From licenses and permits.....	-	-	-	-
Miscellaneous.....	-	-	-	40
Total Revenues.....	-	-	-	40
EXPENDITURES				
Current:				
General government.....	-	-	-	-
Debt Service:				
Principal retirement.....	15,000	9,000	11,000	1,200
Interest and fiscal charges.....	7,622	1,858	8,747	8,634
Other.....	-	-	-	-
Total Expenditures.....	22,622	10,858	19,747	9,834
Excess of Revenues over (under) Expenditures...	(22,622)	(10,858)	(19,747)	(9,793)
OTHER FINANCING SOURCES (USES)				
Operating transfers in.....	22,622	10,858	19,747	9,834
Operating transfers out.....	-	-	-	-
Total Other Financing Sources (Uses).....	22,622	10,858	19,747	9,834
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses.....	-	-	-	40
Fund Balances - October 1.....	-0-	-0-	-0-	24
Fund Balances - September 30.....	\$ -0-	\$ -0-	\$ -0-	\$ 65

TRUNKLINE HIGHWAY BOND AND INTEREST REDEMPTION FUND - SERIES I	MICHIGAN TRUNKLINE BOND AND INTEREST REDEMPTION FUND SERIES II THRU IX	SCHOOL LOAN BOND REDEMPTION FUND	EXPRESSWAY BOND AND INTEREST REDEMPTION FUND	STATE PARK REVENUE BOND FUND	TOTALS	
					FISCAL YEAR ENDED	
					SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ -	\$ -	\$ 11,203	\$ 1,156	\$ -	\$ 12,359	\$ 15,133
-	-	-	-	4,675	4,675	3,496
-	-	-	1,794	498	2,333	2,257
-	-	11,203	2,950	5,173	19,368	20,887
-	-	80	-	-	80	-
5,570	12,985	8,500	6,570	605	70,430	69,360
283	3,096	2,965	983	819	35,010	34,809
-	-	-	-	-	-	18
5,853	16,081	11,545	7,553	1,424	105,520	104,187
(5,853)	(16,081)	(341)	(4,602)	3,749	(86,152)	(83,300)
5,853	16,081	-	3,232	-	88,229	90,468
-	-	-	-	(4,428)	(4,428)	(7,377)
5,853	16,081	-	3,232	(4,428)	83,801	83,090
-	-	(341)	(1,370)	(679)	(2,350)	(209)
-0-	-0-	6,179	17,366	4,709	28,280	28,489
\$ -0-	\$ -0-	\$ 5,837	\$ 15,995	\$ 4,030	\$ 25,929	\$ 28,280

STATE OF MICHIGAN
DESCRIPTIONS OF CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981

PUBLIC RECREATION BOND FUND

This fund was established by P.A. 108 of 1969 to account for the proceeds of \$100.0 million full faith and credit public recreation bonds approved by the people in November, 1968. This approval was pursuant to Section 15, Article IX, of the 1963 Constitution and P.A. 257 of 1968.

P.A. 108 of 1969 also allocated \$30.0 million for grants to local units for local community recreational projects and the balance of \$70.0 million to the Department of Natural Resources to fund the State's recreation program.

EXPRESSWAY CONSTRUCTION FUNDS

A separate Expressway Construction Fund has been established by the Fiscal Agent for each contract between the Department of Transportation and local units to account for transactions relating to the joint venture. The money of each fund is maintained in a segregated depository. Investments in securities are made separately in the name of each fund. Costs of the limited access Highways constructed under these joint ventures have been financed by the proceeds from the sale of dedicated tax bonds, federal aid, and contributions from the participating parties. A total of \$300.1 million of bonds have been issued under the ten Expressway Construction Funds which have been in existence. The two remaining funds have only relatively small fund balances and the projects will be completed by collection of federal aid and contributions by the participating parties.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 1981
(In Thousands)

	PUBLIC RECREATION BOND FUND	1960 GRAND RAPIDS X-WAY CONSTRUCTION FUND	DETROIT X-WAY CONSTRUCTION FUND	TOTALS	
				SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
ASSETS					
Cash (in transit and imprest funds).....	\$ 1	\$ -	\$ -	\$ -	\$ -
Equity in State Treasurer's Common					
Cash Fund.....	3,861	-	-	3,861	5,730
Cash with fiscal agent.....	-	2	92	94	69
Amounts receivable from federal governmental agencies.....	2,183	-	125	2,308	35
Security investments--equities at cost, all others at face value less collections on principal.....	-	-	16,670	16,670	14,800
Security investments--unamortized premium or discount.....	-	-	(1,763)	(1,763)	(1,224)
Land contracts outstanding.....	-	-	93	93	113
Total Assets.....	\$ 6,047	\$ 2	\$ 15,217	\$ 21,267	\$ 19,524
LIABILITIES AND FUND BALANCES					
Liabilities:					
Warrants outstanding.....	\$ 149	\$ -	\$ -	\$ 149	\$ 40
Accounts payable.....	-	-	41	41	37
Amounts withheld from contractors.....	-	-	65	65	46
Deferred revenue.....	8	-	93	101	113
Other liabilities.....	-	-	16	16	11
Total Liabilities.....	158	-	217	375	250
Fund Balances:					
Reserved for encumbrances.....	1,802	-	-	1,802	1,339
Other Reserves:					
Reserved for unencumbered capital outlay.....	3,602	-	-	3,602	3,917
Total other reserves.....	3,602	-	-	3,602	3,917
Unreserved.....	483	2	15,000	15,486	14,017
Total Fund Balances.....	5,889	2	15,000	20,891	19,274
Total Liabilities and Fund Balances..	\$ 6,047	\$ 2	\$ 15,217	\$ 21,267	\$ 19,524

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

	PUBLIC RECREATION BOND FUND	1960 GRAND RAPIDS X-WAY CONSTRUCTION FUND	DETROIT X-WAY CONSTRUCTION FUND	TOTALS	
				FISCAL YEAR ENDED	
				SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
REVENUES					
From federal agencies.....	\$ 3,907	\$ -	\$ 9,188	\$ 5,095	\$ 3,075
Miscellaneous.....	-	-	1,684	1,684	1,326
Total Revenues.....	3,907	-	2,872	6,780	4,402
EXPENDITURES					
Current:					
Conservation and recreation.....	68	-	-	68	1,148
Capital outlay.....	3,686	-	1,482	5,168	4,913
Total Expenditures.....	3,755	-	1,482	5,237	6,062
Excess of Revenues over (under) Expenditures.....	152	-	1,390	1,542	(1,659)
OTHER FINANCING SOURCES (USES)					
Operating transfers in.....	75	-	-	75	-
Total Other Financing Sources (Uses).....	75	-	-	75	-
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses.....	227	-	1,390	1,617	(1,659)
Fund Balances - October 1 - as previously reported.....					83,805
Effect of accounting change.....					(62,871)
Fund Balances - October 1 - restated.....	5,661	1	13,610	19,274	20,934
Fund Balances - September 30.....	\$ 5,889	\$ 2	\$ 15,000	\$ 20,891	\$ 19,274

STATE OF MICHIGAN
DESCRIPTIONS OF ENTERPRISE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981

LIQUOR PURCHASE REVOLVING FUND

The Liquor Purchase Revolving Fund was authorized by P.A. 259 of 1941. Under State monopoly, liquor is sold at retail or wholesale in State liquor stores and through specially designated distributors. The fund accounts for the sales of and the replenishing and transportation of the liquor stock into the various State liquor stores. Administrative, warehousing, and merchandising costs are appropriated in the General Fund with financing provided by a transfer from the Liquor Purchase Revolving Fund.

The free-cash balance of the fund, as defined by statute, is transferred to the General Fund at the end of each fiscal year.

MICHIGAN STATE FAIR REVOLVING FUND

This fund was created by Public Act 224 of 1962, which placed the fund under management of the Michigan State Fair Authority. P.A. 361 of 1978 abolished the Authority and transferred responsibility for the fair and the fund's management to the Department of Natural Resources.

The Department of Natural Resources has jurisdiction over the Michigan State Fair grounds in Detroit. Fund revenues are derived from the operation of the annual State Fair and other exhibits or events, leases, rentals or other charges for use of the buildings and grounds scheduled during the year.

The free-cash balance of the fund, as defined by statute, is transferred to the General Fund at the end of each fiscal year, while any deficit is made up by the General Fund.

DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND

P.A. 107 of 1979 provided for creation of a fund to account for the revenues and cost incurred in the publication of the department's magazine, publications, and related materials. Prior to the creation of this fund, these activities had been recorded as restricted revenue operations in the General Fund.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
ENTERPRISE FUNDS
SEPTEMBER 30, 1981
(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTALS	
				SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
ASSETS					
Cash (in transit and imprest funds).....	\$ 1,971	\$ 2	\$ 3	\$ 1,976	\$ 1,961
Equity in State Treasurer's Common					
Cash Fund.....	10,842	711	373	11,927	5,211
Amounts due from other funds.....	-	29	17	47	48
Inventories.....	67,544	-	317	67,862	68,579
Other assets.....	283	149	156	588	460
Land.....	-	6,901	-	6,901	6,901
Buildings and equipment.....	7,777	11,696	31	19,505	18,278
Allowance for depreciation.....	(2,952)	(5,967)	(16)	(8,936)	(8,354)
Total Assets.....	\$ 85,466	\$ 13,523	\$ 883	\$ 99,872	\$ 93,086
LIABILITIES AND FUND EQUITY					
Liabilities:					
Warrants outstanding.....	\$ 24	\$ 126	\$ 77	\$ 228	\$ 2,498
Accounts payable.....	80,587	585	103	81,276	73,448
Amounts due to other funds.....	-	98	7	105	49
Deferred revenue.....	-	-	1,117	1,117	917
Other liabilities.....	30	82	-	113	126
Total Liabilities.....	80,641	893	1,306	82,841	77,040
Fund Equity:					
Retained earnings and contributions (deficit).....	4,824	12,629	(423)	17,030	16,045
Total Fund Equity.....	4,824	12,629	(423)	17,030	16,045
Total Liabilities and Fund Equity.....	\$ 85,466	\$ 13,523	\$ 883	\$ 99,872	\$ 93,086

STATE OF MICHIGAN

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS

ENTERPRISE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTALS	
				SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
OPERATING REVENUES.....	\$ 417,545	\$ 2,232	\$ 1,142	\$ 420,920	\$ 409,349
OPERATING EXPENSES:					
Salaries, wages, and fringe benefits....	-	1,157	224	1,381	1,406
Contractual services, supplies, and materials.....	1,378	1,839	1,009	4,227	4,568
Depreciation.....	294	304	1	600	544
Purchases for resale.....	327,468	-	-	327,468	317,672
Total Operating Expenses.....	329,141	3,302	1,234	333,678	324,191
Operating Income (Loss).....	88,403	(1,069)	(92)	87,241	85,157
NONOPERATING REVENUES (EXPENSES):					
Interest revenue (expense).....	-	(116)	74	(42)	50
Specific tax on spirits.....	7,048	-	-	7,048	6,707
Premium reimbursement - horse race wagering.....	-	-	-	-	40
Total Nonoperating Revenues (Expenses).....	7,047	(116)	74	7,006	6,798
Income Before Operating Transfers....	95,451	(1,185)	(17)	94,248	91,956
OPERATING TRANSFERS:					
Operating transfers in.....	67	2,453	9	2,530	2,374
Operating transfers out.....	(95,746)	(26)	(20)	(95,793)	(93,193)
Total Operating Transfers In (Out)...	(95,679)	2,427	(11)	(93,262)	(90,818)
Net Income (Loss).....	(227)	1,241	(28)	985	1,138
Retained Earnings and Contributions					
(Deficit) - October 1.....	5,052	11,388	(394)	16,045	15,374
Equity transfers from (to) other funds..	-	-	-	-	333
Retained earnings (deficit) at October 1, 1979 exclusive of equity transfer from other funds.....	-	-	-	-	(810)
Capitalization of fixed assets.....	-	-	-	-	10
Retained Earnings and Contributions (Deficit) - September 30.....	\$ 4,824	\$ 12,629	\$ (423)	\$ 17,030	\$ 16,045

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
ENTERPRISE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	MICHIGAN STATE FAIR REVOLVING FUND	DEPARTMENT OF NATURAL RESOURCES MAGAZINE FUND	TOTALS	
				SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
SOURCES OF FUNDS:					
Working capital:					
Net income (loss).....	\$ (227)	\$ 1,241	\$ (28)	\$ 985	\$ 1,138
Items not requiring (providing) working capital:					
Depreciation.....	294	304	1	600	544
Contributed fixed assets included in operating transfers.....	(67)	(1,159)	-	(1,226)	(2,211)
Equity transfer from other funds.....	-	-	-	-	333
Working Capital Provided.....	-	387	(27)	359	(195)
Increase in retained earnings due to capitalization of fixed assets.....	-	-	-	-	10
Total Sources of Funds.....	\$ -	\$ 387	\$ (27)	\$ 359	\$ (185)
APPLICATION OF FUNDS:					
Acquisition of fixed assets.....	\$ -	\$ 2	\$ 16	\$ 18	\$ 72
Capitalization of fixed assets.....	-	-	-	-	10
Retained earnings deficit at October 1, 1979 exclusive of equity transfer from other funds.....	-	-	-	-	810
Net increase (decrease) in working capital.....	-	384	(43)	340	(1,078)
Total Application of Funds.....	\$ -	\$ 387	\$ (27)	\$ 359	\$ (185)
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:					
Cash (in transit and imprest funds)....	\$ 37	\$ -	\$ (22)	\$ 15	\$ (424)
Equity in State Treasurer's Common Cash Fund.....	6,258	491	(33)	6,716	(5,500)
Amounts due from other funds.....	-	(8)	7	(1)	20
Inventories.....	(879)	-	162	(716)	8,495
Other assets.....	48	(29)	109	128	(23)
Warrants outstanding.....	2,325	5	(61)	2,270	(2,198)
Accounts payable.....	(7,797)	(29)	-	(7,828)	(418)
Amounts due to other funds.....	-	(51)	(4)	(55)	(48)
Deferred revenue.....	-	-	(200)	(200)	(917)
Other liabilities.....	6	6	-	13	(63)
Net Increase (Decrease) in Working Capital.....	\$ -	\$ 384	\$ (43)	\$ 340	\$ (1,078)

STATE OF MICHIGAN
DESCRIPTIONS OF INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981

CORRECTIONAL INDUSTRIES REVOLVING FUND

This fund was created by P.A. 210 of 1935 and continued by P.A. 15 of 1968 to account for the financial transactions of a manufacturing and processing industry employing inmates of the State's correctional institutions. P.A. 245 of 1980 expanded the fund's sales market to include institutions of this or any other state or political subdivision thereof, the federal government or its agencies, and certain tax exempt organizations.

Salaries, wages, and fringe benefits of administrative and supervisory personnel are appropriated and expended in the General Fund. Beginning with the 1980-81 fiscal year, the relationship between this fund and the General Fund changed. A portion of the costs appropriated in the General Fund are now financed by this fund. P.A. 244 of 1980 also eliminated the transfer of the fund's year-end free-cash balance to the General Fund. P.A. 245 of 1980 mandates that by October 1, 1985 all subsidies will be eliminated and the fund must be self-supporting.

FEDERAL SURPLUS REVOLVING FUND

The purpose of the fund is to account for the operations related to and the distribution of surplus federal property to eligible units of State and local agencies for a service charge. The fund was created by administrative decision. The operations of the fund were formerly accounted for in the General Fund.

CENTRAL DRUG REPACKAGING REVOLVING FUND

The Central Drug Repackaging Revolving Fund was established to account for the central purchase and distribution of inventories of drugs and hospital supplies at individual locations. The fund purchases these items in bulk quantities and distributes them to eligible State and local agencies for a service fee. The fund was created by P.A. 111 of 1979 and continued by P.A. 376 of 1980. The operations of the fund were formerly accounted for in the General Fund. By statute, any balance in excess of inventory at the end of the fiscal year is transferred to the General Fund. Conversely, any deficiency is made up by the General Fund.

MOTOR TRANSPORT REVOLVING FUND

This fund was established by P.A. 260 of 1947 to provide automotive transportation for State agencies. Activities include purchase, replacement, and maintenance of automotive equipment. Vehicles are available to agencies on a permanently assigned basis or through the motor pool for short term usage. The Motor Transport Division vehicles are furnished to agencies at a rate sufficient to cover all costs of operation and maintenance. Agencies are charged by Motor Transport Division on a monthly basis.

OFFICE SERVICES REVOLVING FUND

Created by P.A. 262 of 1952, this fund provides services in the following areas: reproduction, microfilm, mailing, trained office personnel services, communications, and purchase and storage of paper, stationery, and office supplies. The cost of the services or supplies is charged to user departments and agencies. Resultant revenue is credited to the revolving fund and is used for administration and operation of the program, including purchase of necessary equipment.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 1981
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND	CENTRAL DRUG REPACKAGING REVOLVING FUND
ASSETS			
Cash (in transit and imprest funds).....	\$ 5	\$ 4	\$ 7
Equity in State Treasurer's Common Cash Fund.....	2,690	51	102
Amounts receivable from local units of government.....	101	85	46
Inventories.....	4,409	-	875
Other assets.....	62	-	26
Buildings and equipment.....	7,092	374	7
Allowance for depreciation.....	(4,535)	(230)	(1)
Total Assets.....	<u>\$ 9,825</u>	<u>\$ 285</u>	<u>\$ 1,064</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Liability to State Treasurer's Common Cash Fund.....	\$ -	\$ -	\$ -
Warrants outstanding.....	74	-	35
Accounts payable.....	165	16	140
Amounts due to other funds...	-	13	7
Other liabilities.....	-	-	-
Total Liabilities.....	<u>239</u>	<u>31</u>	<u>182</u>
Fund Equity:			
Retained earnings and contributions.....	<u>9,585</u>	<u>254</u>	<u>881</u>
Total Fund Equity.....	<u>9,585</u>	<u>254</u>	<u>881</u>
Total Liabilities and Fund Equity.....	<u>\$ 9,825</u>	<u>\$ 285</u>	<u>\$ 1,064</u>

MOTOR TRANSPORT REVOLVING FUND	OFFICE SERVICES REVOLVING FUND	TOTALS	
		SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ 6	\$ 1,000	\$ 1,023	\$ 1,042
1,006	-	3,850	661
-	21	254	219
136	2,052	7,475	8,839
1,176	63	1,328	198
21,122	2,544	31,140	30,309
(9,348)	(1,662)	(15,777)	(14,300)
<u>\$ 14,099</u>	<u>\$ 4,020</u>	<u>\$ 29,295</u>	<u>\$ 26,971</u>
\$ -	\$ 1,256	\$ 1,256	\$ 1,314
1,167	10	1,287	664
605	688	1,616	1,531
51	131	203	86
2	5	8	36
<u>1,826</u>	<u>2,093</u>	<u>4,373</u>	<u>3,633</u>
<u>12,273</u>	<u>1,927</u>	<u>24,921</u>	<u>23,338</u>
<u>12,273</u>	<u>1,927</u>	<u>24,921</u>	<u>23,338</u>
<u>\$ 14,099</u>	<u>\$ 4,020</u>	<u>\$ 29,295</u>	<u>\$ 26,971</u>

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS AND CONTRIBUTIONS
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND	CENTRAL DRUG REPACKAGING REVOLVING FUND
OPERATING REVENUES.....	\$ 6,905	\$ 694	\$ 3,821
OPERATING EXPENSES:			
Salaries, wages, and fringe benefits.....	-	516	218
Contractual services, supplies, and materials.....	1,488	224	82
Depreciation.....	263	14	1
Purchases for resale.....	-	-	3,484
Purchases for manufacturing....	3,671	-	-
Total Operating Expenses....	5,422	755	3,786
Operating Income (Loss).....	1,483	(60)	34
NONOPERATING REVENUES (EXPENSES):			
Gain (or loss) on disposal of fixed assets.....	3	-	-
Sale of surplus and salvage items.....	10	-	-
Total Nonoperating Revenues (Expenses).....	13	-	-
Income Before Operating Transfers.....	1,497	(60)	34
OPERATING TRANSFERS:			
Operating transfers in.....	184	-	-
Operating transfers out.....	(677)	(39)	(85)
Total Operating Transfers In (Out).....	(493)	(39)	(85)
Net Income (Loss).....	1,003	(99)	(51)
Retained Earnings and Contribu- tions - October 1.....	8,581	353	933
Equity transfers from (to) other funds.....	-	-	-
Capitalization of fixed assets.	-	-	-
Retained Earnings and Contri- butions (Deficit) September 30.	\$ 9,585	\$ 254	\$ 881

MOTOR TRANSPORT REVOLVING FUND	OFFICE SERVICES REVOLVING FUND	TOTALS	
		SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ 13,403	\$ 20,399	\$ 45,225	\$ 43,576
1,692	4,936	7,364	7,668
6,822	1,943	10,560	10,158
3,514	300	4,094	3,685
-	13,261	16,746	14,974
-	-	3,671	4,081
12,029	20,442	42,436	40,568
1,374	(42)	2,788	3,007
39	(3)	39	(76)
17	9	37	45
56	5	76	(30)
1,431	(36)	2,865	2,976
22	-	207	948
(256)	(429)	(1,489)	(659)
(233)	(429)	(1,282)	288
1,197	(466)	1,583	3,265
11,075	2,394	23,338	19,753
-	-	-	196
-	-	-	122
\$ 12,273	\$ 1,927	\$ 24,921	\$ 23,338

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
INTERNAL SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

	CORRECTIONAL INDUSTRIES REVOLVING FUND	FEDERAL SURPLUS REVOLVING FUND
SOURCES OF FUNDS:		
Working capital:		
Net income (loss).....	\$ 1,003	\$ (99)
Items not requiring (providing) working capital:		
Depreciation.....	263	14
Loss (gain) on disposal of fixed assets.....	(3)	-
Sale of fixed assets.....	-	4
Equity transfer from (to) other funds.....	-	-
Working Capital Provided.....	1,263	(80)
Increase in retained earnings due to capitalization of fixed assets.....	-	-
Total Sources of Funds.....	<u>\$ 1,263</u>	<u>\$ (80)</u>
APPLICATION OF FUNDS:		
Acquisition of fixed assets.....	\$ 157	\$ 58
Capitalization of fixed assets.....	-	-
Net increase (decrease) in working capital.....	1,105	(139)
Total Application of Funds.....	<u>\$ 1,263</u>	<u>\$ (80)</u>
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:		
Cash (in transit and imprest funds).....	\$ -	\$ -
Equity in State Treasurer's Common Cash Fund.....	2,396	(105)
Amounts receivable from local units of government.....	45	46
Inventories.....	(1,512)	-
Other assets.....	37	(75)
Warrants outstanding.....	26	3
Accounts payable.....	113	(1)
Amounts due to other funds.....	-	(7)
Other liabilities.....	-	1
Net Increase (Decrease) In Working Capital.....	<u>\$ 1,105</u>	<u>\$ (139)</u>

CENTRAL DRUG REPACKAGING REVOLVING FUND	MOTOR TRANSPORT REVOLVING FUND	OFFICE SERVICES REVOLVING FUND	TOTALS	
			SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ (51)	\$ 1,197	\$ (466)	\$ 1,583	\$ 3,265
1	3,514	300	4,094	3,685
-	(39)	3	(39)	76
-	1,021	-	1,026	820
-	-	-	-	196
(50)	5,694	(161)	6,664	8,045
-	-	-	-	122
<u>\$ (50)</u>	<u>\$ 5,694</u>	<u>\$ (161)</u>	<u>\$ 6,664</u>	<u>\$ 8,167</u>
\$ 5	\$ 4,041	\$ 172	\$ 4,435	\$ 7,641
-	-	-	-	122
(55)	1,652	(333)	2,229	404
<u>\$ (50)</u>	<u>\$ 5,694</u>	<u>\$ (161)</u>	<u>\$ 6,664</u>	<u>\$ 8,167</u>
\$ (1)	\$ (9)	\$ (8)	\$ (19)	\$ 786
(107)	1,743	(679)	3,246	(2,655)
3	(58)	-	35	64
(55)	19	184	(1,364)	2,561
(10)	1,157	20	1,129	150
56	(900)	191	(623)	(360)
63	(273)	13	(85)	(43)
(4)	(31)	(73)	(117)	(86)
-	6	19	28	(13)
<u>\$ (55)</u>	<u>\$ 1,652</u>	<u>\$ (333)</u>	<u>\$ 2,229</u>	<u>\$ 404</u>

STATE OF MICHIGAN

DESCRIPTIONS OF TRUST FUNDS - OTHER, AND AGENCY FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1981

TRUST FUNDS - OTHER

This group includes the State Office Building Bond Redemption Fund, Hospital Patients' Benefit Fund, Special Federal Bridge Replacement Fund, Michigan State Accident Fund, State Employees' Health Maintenance Fund, Children's Institute Trust Fund, Federal County Road Fund, Gifts, Bequests, and Deposits Investment Fund, Silicosis, Dust Disease, and Logging Industry Compensation Fund, Federal Urban Transportation System Fund, Agricultural College Fund-Morrill Act, Michigan Higher Education Assistance Authority Fund, Second Injury Fund, Municipal Employees' Retirement Fund, Highway Topics and Safety Program Fund, Hospital Patients' Trust Fund, Federal Housing Administration Mortgages Escrow Fund, Self-Insurers' Security Fund, State Employees' Deferred Compensation Fund, Special Assessment Deferment Fund, and the State Employees' Dental Coverage Fund.

The trust funds listed above are not reported in individual statements in this annual report, but are shown in a single statement column which may be found in the statement entitled "Combining Balance Sheet - Trust and Agency Funds - By Classification," in the column headed "Other Trust Funds." It is also reported on the statement entitled "Combined Statement of Revenues, Expenditures, and Changes in Fund Balances," in the column entitled "Expendable Trust Funds."

RECEIPTS CLEARING FUND

This fund is used by several State departments primarily as a depository for various receipts; the classification as to type of revenue being unknown at the time of deposit. Subsequent to the deposit of monies in this fund, the participating departments initiate a determination procedure to clear this fund of deposits made and to credit the proper funds and accounts for revenues received.

METROPOLITAN PLANNING FUND

This fund was established by the Federal Highway Act of 1973, Section 112 and 134 to account for Federal "pass through" funds that reimburse local regional planning agencies for operating expenses. Local money is advanced to the fund, approximately 80% of which is reimbursed to the local unit by the federal government. The financing accounted for in this fund consists of federal and local money, and no State funds are involved.

ESCHEATS FUND

This fund was created by P.A. 329 of 1947 to provide for an accounting of property, tangible or intangible, which is subject to escheat. Property becomes subject to escheat when the owner dies intestate; disappears, or is missing from his last known place of residence for a continuous period of seven years or more, leaving no known heirs-at-law or abandons property for a period of seven years. The provisions of this act are performed and regulated by the Escheats Division, Department of Treasury.

LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN FUND

Public Act 243 of 1980 created this fund to provide emergency financial assistance in the form of interest bearing loans to qualifying municipalities. Financing requirements were provided by a transfer of \$5.0 million from the Escheats Fund. The return of this transfer was required by P.A. 324 of 1980, which also repealed the authorization for the fund.

CONTRIBUTION FUND (SOCIAL SECURITY)

The function of this fund is to account for monies provided for social security coverage of employees of the State of Michigan and its political subdivisions. The fund, established by P.A. 205 of 1951, is administered by the State Employees' Retirement Board. Social Security reports and contributions by the employee and the employer are reported to the board. The various reports and contributions are recapped and forwarded to the Federal Social Security Administration. The administrative costs are prorated to the various reporting units.

STATE OF MICHIGAN

DESCRIPTIONS OF TRUST FUNDS - OTHER, AND AGENCY FUNDS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

AIRPORT AUTHORITIES FACILITIES IMPROVEMENT TRUST FUND

This fund was authorized by P.A. 327 of 1945. The purpose of the fund is to hold in trust monies deposited by local airport authorities for the purchase of land for local airport improvements. The land purchase transactions are administered by the Right of Way Division of the Department of Transportation. The deposits cover the land purchase price and the purchase administrative costs. No State funds are involved.

SCHOOL EMERGENCY LOAN REVOLVING FUND

This fund was authorized by P.A. 8 of 1977 to furnish emergency financial assistance to insolvent school districts. Since the loan authority expired June 30, 1979, collection of outstanding loans has been the sole purpose of the fund. Loan repayments with interest are transferred annually to the General Fund.

TOXIC SUBSTANCE LOAN REVOLVING FUND

This fund was established by P.A. 273 of 1978 and is administered by the Department of Public Health. Loans were made from the fund to Michigan residents who owned or had owned, leased or had leased a farm after January 1, 1970 and had suffered a financial loss as a result of contamination of livestock by a toxic substance after that date. The fund was financed by General Fund appropriations for loans approved before January 1, 1981. Loan repayments made prior to September 30, 1981 were credited to this fund with the available cash balance at September 30, 1981, being transferred to the General Fund. Effective October 1, 1981, receivables will be transferred to the General Fund and this fund will be closed. Subsequent loan repayments and interest will be credited directly to the General Fund receivable and revenue, respectively.

HAZARDOUS AND SOLID WASTE FACILITIES CLOSURE GUARANTEE FUND

This fund was authorized by P.A. 641 of 1978, as amended, and Act 64 of 1979 to account for cash bonds posted by applicants desiring licenses to operate hazardous and solid waste disposal areas. In accordance with P.A. 641 of 1978, as amended, interest earnings up to 6% are credited to the applicants account. This act also specifies the circumstances under which the director of the Department of Natural Resources is authorized to use the deposits to close and maintain a facility or return the deposit to the operator upon his satisfactory closure and maintenance of such facility.

STATE OF MICHIGAN
COMBINING BALANCE SHEET
TRUST AND AGENCY FUNDS - BY CLASSIFICATION

SEPTEMBER 30, 1981

(In Thousands)

				TOTALS	
	RETIREMENT RELATED TRUST FUNDS	OTHER TRUST FUNDS	AGENCY FUNDS	SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
ASSETS					
Cash (in transit and imprest funds).....	\$ 49	\$ 150	\$ 1,700	\$ 1,900	\$ 1,668
Equity in State Treasurer's Common Cash Fund.....	495,092	89,930	108,796	693,819	909,398
Amounts due from other funds.....	36,280	6,428	20,233	62,941	57,789
Amounts receivable from federal governmental agencies.....	-	14,410	271	14,682	8,481
Amounts receivable from local units of government.....	22,508	11,729	1,555	35,793	35,276
Amounts receivable from individuals.....	-	-	7,037	7,037	6,369
Security investments--equities at cost, all others at face value less collections on principal.....	5,967,742	817,475	-	6,785,217	5,321,387
Security investments--unamortized premium or discount.....	(329,134)	(23,673)	-	(352,807)	(141,389)
Other assets.....	100,485	23,323	2,188	125,997	109,681
Total Assets.....	\$ 6,293,024	\$ 939,774	\$ 141,782	\$ 7,374,582	\$ 6,308,664
LIABILITIES AND FUND BALANCES					
Liabilities:					
Liability to State Treasurer's Common Cash Fund.....	\$ -	\$ -	\$ 113	\$ 113	\$ 131
Warrants outstanding.....	9,188	1,816	62,254	73,259	76,055
Accounts payable.....	1	16,453	1,613	18,068	4,469
Amounts due to other funds.....	11	3,592	8,537	12,141	31,500
Amounts withheld from contractors.....	-	2,911	9	2,920	3,340
Amounts due to other governmental agencies.....	-	2,367	269	2,636	1,726
Payroll taxes payable from Contribution Fund.....	-	-	47,593	47,593	35,754
Other liabilities.....	26,397	18,240	21,391	66,029	48,714
Total Liabilities.....	35,598	45,381	141,782	222,763	201,692
Fund Balances:					
Reserved for retirement system.....	6,257,425	-	-	6,257,425	5,361,219
Unreserved.....	-	894,393	-	894,393	745,752
Total Fund Balances.....	6,257,425	894,393	-	7,151,819	6,106,971
Total Liabilities and Fund Balances.....	\$ 6,293,024	\$ 939,774	\$ 141,782	\$ 7,374,582	\$ 6,308,664

STATE OF MICHIGAN
DESCRIPTIONS OF TRUST FUNDS - RETIREMENT
FISCAL YEAR ENDED SEPTEMBER 30, 1981

LEGISLATIVE RETIREMENT FUND

The Legislative Retirement System was created by P.A. 261 of 1957 to provide retirement allowances, survivors' allowances, and other benefits for members of the Legislature and the presiding officers and their widows or children.

Participants in the system have a deduction from each salary payment to partly finance the fund. In addition, legislative appropriations, interest on fund investments, and court fees complete the financing.

STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND

This fund was created by P.A. 251 of 1935 to provide retirement benefits for State Police officers and is administered by the Director for the Department of State Police under the supervision of the State Administrative Board. Financing is provided by investment income and by an annual legislative appropriation from the General Fund.

STATE EMPLOYEES' RETIREMENT FUND

This fund was established by P.A. 240 of 1943 and is administered by a nine member board under the direction of an Executive Secretary. P.A. 216 of 1974 eliminated the requirement for member contributions and provided for financing entirely by legislative appropriation. Financing requirements are based on an actuarial percentage of members' current salaries and wages. Administrative costs are financed by the investment earnings of the fund.

PUBLIC SCHOOL EMPLOYEES' CHAPTER I RETIREMENT FUND

P.A. 136 of 1945 created the Public School Employees' Chapter I Retirement Fund. Financing is based on an actuarial determination which is funded by annual appropriations made by the Legislature and employer contributions. Benefit payments and administrative costs are the principal expenses of this fund. Administrative policy is determined by an eight member board which also oversees the Chapter II system. P.A. 300 of 1980 provides for the merger of this fund and the Public School Employees' Chapter II Retirement Fund at the beginning of fiscal year 1981-82.

PUBLIC SCHOOL EMPLOYEES' CHAPTER II RETIREMENT FUND

The establishment of this fund was based on P.A. 259 of 1974. This statute mandated merging of the Chapter II system (Detroit school employees) with the Chapter I system (all State school employees except Detroit) as soon as possible after June 30, 1975. At present all records and operations have been placed under a single state administration. A separate fund for the Public School Employees' Chapter I and a separate fund for the Chapter II system are maintained since retiree benefits differ for each of the two groups thereby necessitating separate accountability. Administrative policy is determined by an eight member board which also oversees the Chapter I system. P.A. 300 of 1980 provides for the merger of this fund and the Public School Employees' Chapter I Retirement Fund at the beginning of fiscal year 1981-82.

PROBATE JUDGES' AND JUDGES' RETIREMENT FUNDS

P.A. 198 of 1951 and P.A. 165 of 1954 created the Judges' and Probate Judges' Retirement Funds respectively. These funds are administered by their respective boards under direction of the Executive Secretary of the State Employees' Retirement Fund. Financing is from member contributions and court filing fees as provided under law.

STATE OF MICHIGAN
COMBINING BALANCE SHEET

TRUST FUNDS

(RETIREMENT)

SEPTEMBER 30, 1981

(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND
ASSETS			
Cash (in transit and imprest funds).....	\$ -	\$ -	\$ 38
Equity in State Treasurer's Common Cash Fund.....	6,507	20,932	104,666
Amounts due from other funds.....	290	944	12,945
Amounts receivable from local units of government.....	46	-	-
Security investments--equities at cost, all others at face value less collections on principal.....	17,369	113,710	1,310,912
Security investments--unamortized premium or discount....	(94)	(4,521)	(17,753)
Other assets.....	506	2,219	22,213
Total Assets.....	\$ 24,626	\$ 133,285	\$ 1,381,023
LIABILITIES AND FUND BALANCES			
Liabilities:			
Warrants outstanding.....	\$ 21	\$ 130	\$ 1,336
Accounts payable.....	-	1	1
Amounts due to other funds.....	-	-	11
Other liabilities.....	-	459	5,790
Total Liabilities.....	21	591	7,139
Fund Balances:			
Retirement System Reserves:			
Reserve for participants' retirement.....	15,746	-	-
Reserve for participants' savings.....	1,430	-	-
Reserve for survivors' retirement.....	5,646	-	-
Reserve for grants and insurance.....	1,486	-	-
Reserve for employees' savings.....	-	-	128,116
Reserve for employers' accumulation.....	-	-	701,615
Reserve for annuity accumulation.....	-	-	-
Reserve for annuities.....	-	-	-
Reserve for annuity savings.....	-	-	-
Reserve for pension accumulation.....	-	-	-
Reserve for pensions.....	-	-	475,218
Reserve for income.....	295	-	68,933
Reserve for expense.....	-	-	-
Reserve for balance of funds held in a trust capacity.....	-	132,694	-
Total Retirement System Reserves.....	24,604	132,694	1,373,883
Total Fund Balances.....	24,604	132,694	1,373,883
Total Liabilities and Fund Balances.....	\$ 24,626	\$ 133,285	\$ 1,381,023

PUBLIC SCHOOL EMPLOYEES' CHAPTER I RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' CHAPTER II RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	TOTALS	
				SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ 5	\$ 5	\$ -	\$ -	\$ 49	\$ 65
289,605	68,464	966	3,948	495,092	699,205
18,214	3,619	49	216	36,280	23,594
18,024	4,437	-	-	22,508	24,922
3,992,728	495,157	6,501	31,362	5,967,742	4,691,008
(226,790)	(26,730)	(95)	(1,148)	(329,134)	(125,524)
66,936	7,694	191	723	100,485	88,322
<u>\$ 4,158,724</u>	<u>\$ 552,648</u>	<u>\$ 7,612</u>	<u>\$ 35,103</u>	<u>\$ 6,293,024</u>	<u>\$ 5,401,594</u>
\$ 6,498	\$ 1,166	\$ 9	\$ 24	\$ 9,188	\$ 9,527
-	-	-	-	1	147
-	-	-	-	11	14,336
19,365	617	29	135	26,397	16,364
<u>25,864</u>	<u>1,783</u>	<u>38</u>	<u>159</u>	<u>35,598</u>	<u>40,375</u>
-	-	-	-	15,746	13,906
-	-	-	-	1,430	1,358
-	-	-	-	5,646	4,905
-	-	-	-	1,486	1,596
-	-	-	-	128,116	134,177
588,589	-	-	-	701,615	484,745
216,648	61,273	2,351	15,521	588,589	624,847
-	111,707	1,141	6,010	295,795	272,629
-	154,280	-	-	118,858	124,018
2,904,397	196,523	4,061	13,297	154,280	63,793
423,223	27,080	14	100	3,593,497	3,173,417
-	-	5	12	519,648	357,820
-	-	-	-	18	21
-	-	-	-	132,694	103,981
4,132,859	550,865	7,574	34,943	6,257,425	5,361,219
4,132,859	550,865	7,574	34,943	6,257,425	5,361,219
<u>\$ 4,158,724</u>	<u>\$ 552,648</u>	<u>\$ 7,612</u>	<u>\$ 35,103</u>	<u>\$ 6,293,024</u>	<u>\$ 5,401,594</u>

STATE OF MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
TRUST FUNDS
(RETIREMENT)
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION ACCIDENT, AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND
OPERATING REVENUES:			
Contributions from members and employers.....	\$ 875	\$ 24,551	\$ 143,524
Investment revenue (net).....	2,435	12,034	123,211
Court fees for administration and annuities.....	914	-	-
Miscellaneous.....	-	-	37
Total Operating Revenues.....	<u>4,225</u>	<u>36,586</u>	<u>266,773</u>
OPERATING EXPENSES:			
Salaries, wages, and fringe benefits.....	24	-	-
Contractual services, supplies, and materials.....	30	6	29
Benefits paid to participants or beneficiaries.....	957	6,977	56,269
Medical, dental, and life insurance for retirants.....	333	825	10,306
Refunds to terminated members.....	46	20	1,014
Total Operating Expenses.....	<u>1,393</u>	<u>7,830</u>	<u>67,620</u>
Operating Income.....	<u>2,831</u>	<u>28,755</u>	<u>199,152</u>
OPERATING TRANSFERS:			
Operating transfers in.....	-	-	113
Operating transfers out.....	(7)	(43)	(1,160)
Total Operating Transfers In (Out).....	<u>(7)</u>	<u>(43)</u>	<u>(1,046)</u>
Net Income.....	2,823	28,712	198,106
Fund Balances - October 1.....	<u>21,781</u>	<u>103,981</u>	<u>1,175,777</u>
Fund Balances - September 30.....	<u>\$ 24,604</u>	<u>\$ 132,694</u>	<u>\$ 1,373,883</u>

PUBLIC SCHOOL EMPLOYEES' CHAPTER I RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' CHAPTER II RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	TOTALS	
				FISCAL YEAR ENDED	
				SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ 418,767	\$ 81,646	\$ 104	\$ 575	\$ 670,045	\$ 639,843
383,008	29,127	676	3,347	553,841	455,197
-	-	420	2,548	3,884	3,909
6	25	-	-	70	3
801,782	110,799	1,201	6,472	1,227,841	1,098,954
-	-	-	-	24	-
83	8	-	-	159	158
175,303	45,653	468	1,664	287,295	264,412
16,635	3,563	-	-	31,665	27,900
6,004	1,059	11	34	8,191	9,819
198,026	50,284	479	1,699	327,334	302,290
603,755	60,515	722	4,772	900,507	796,663
220	82	-	-	416	567
(2,727)	(681)	(28)	(68)	(4,717)	(4,010)
(2,506)	(599)	(28)	(68)	(4,300)	(3,442)
601,249	59,916	693	4,704	896,206	793,220
3,531,610	490,948	6,880	30,238	5,361,219	4,567,998
\$ 4,132,859	\$ 550,865	\$ 7,574	\$ 34,943	\$ 6,257,425	\$ 5,361,219

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION
TRUST FUNDS
(RETIREMENT)
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

	LEGISLATIVE RETIREMENT FUND	STATE POLICE PENSION, ACCIDENT, AND DISABILITY FUND	STATE EMPLOYEES' RETIREMENT FUND
SOURCES OF FUNDS:			
Working capital:			
Net income.....	\$ 2,823	\$ 28,712	\$ 198,106
Working Capital Provided.....	<u>2,823</u>	<u>28,712</u>	<u>198,106</u>
Total Sources of Funds.....	<u>\$ 2,823</u>	<u>\$ 28,712</u>	<u>\$ 198,106</u>
APPLICATION OF FUNDS:			
Net increase in working capital.....	\$ 2,823	\$ 28,712	\$ 198,106
Total Application of Funds.....	<u>\$ 2,823</u>	<u>\$ 28,712</u>	<u>\$ 198,106</u>
ELEMENTS OF NET INCREASE (DECREASE) IN WORKING CAPITAL:			
Cash (in transit and imprest funds).....	\$ (2)	\$ (2)	\$ (10)
Equity in State Treasurer's Common Cash Fund.....	2,021	7,585	(33,748)
Investments.....	616	20,282	226,694
Amounts due from other funds.....	187	620	3,035
Amounts receivable from local units of government.....	7	-	-
Other assets.....	(25)	340	3,100
Warrants outstanding.....	19	7	42
Accounts payable.....	-	3	23
Amounts due to other funds.....	-	-	21
Other liabilities.....	-	(125)	(1,054)
Net Increase (Decrease) in Working Capital.....	<u>\$ 2,823</u>	<u>\$ 28,712</u>	<u>\$ 198,106</u>

PUBLIC SCHOOL EMPLOYEES' CHAPTER I RETIREMENT FUND	PUBLIC SCHOOL EMPLOYEES' CHAPTER II RETIREMENT FUND	PROBATE JUDGES' RETIREMENT FUND	JUDGES' RETIREMENT FUND	TOTALS	
				FISCAL YEAR ENDED	
				SEPTEMBER 30, 1981	SEPTEMBER 30, 1980
\$ 601,249	\$ 59,916	\$ 693	\$ 4,704	\$ 896,206	\$ 793,220
601,249	59,916	693	4,704	896,206	793,220
\$ 601,249	\$ 59,916	\$ 693	\$ 4,704	\$ 896,206	\$ 793,220
\$ 601,249	\$ 59,916	\$ 693	\$ 4,704	\$ 896,206	\$ 793,220
\$ 601,249	\$ 59,916	\$ 693	\$ 4,704	\$ 896,206	\$ 793,220
\$ 601,249	\$ 59,916	\$ 693	\$ 4,704	\$ 896,206	\$ 793,220
\$ -	\$ -	\$ -	\$ (1)	\$ (16)	\$ (271)
(207,843)	27,317	15	538	(204,113)	59,403
793,041	27,919	630	3,939	1,073,123	690,074
5,875	2,806	25	134	12,685	7,728
(3,163)	743	-	-	(2,413)	3,052
8,130	496	9	112	12,163	25,904
12	243	5	7	332	1,458
117	-	-	-	145	(19)
14,303	-	-	-	14,324	17,702
(9,223)	388	8	(26)	(10,032)	(11,812)
\$ 601,249	\$ 59,916	\$ 693	\$ 4,704	\$ 896,206	\$ 793,220

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

RECEIPTS CLEARING FUND	BALANCE OCTOBER 1, 1980	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1981
ASSETS				
Cash (in transit and imprest funds).....	\$ 1,517	\$ 12,925	\$ 12,758	\$ 1,684
Other assets.....	311	2,443	2,318	435
Total Assets.....	\$ 1,828	\$ 15,368	\$ 15,077	\$ 2,120
LIABILITIES				
Liability to State Treasurer's Common Cash Fund.....	\$ 131	\$ 1,030,877	\$ 1,030,895	\$ 113
Warrants outstanding.....	-	5,528	5,363	165
Accounts payable.....	1,238	5,749	5,528	1,459
Other liabilities.....	459	1,029,726	1,029,803	382
Total Liabilities.....	\$ 1,828	\$ 2,071,883	\$ 2,071,591	\$ 2,120
METROPOLITAN PLANNING FUND				
ASSETS				
Equity in State Treasurer's Common Cash Fund.....	\$ 8	\$ 1,476	\$ 1,363	\$ 121
Amounts receivable from federal governmental agencies..	84	150	84	150
Total Assets.....	\$ 92	\$ 1,626	\$ 1,447	\$ 271
LIABILITIES				
Warrants outstanding.....	\$ 2	\$ 1,325	\$ 1,328	\$ -
Accounts payable.....	5	1,441	1,325	121
Amounts due to other governmental agencies.....	85	1,613	1,548	150
Other liabilities.....	-	150	150	-
Total Liabilities.....	\$ 92	\$ 4,532	\$ 4,353	\$ 271
ESCHEATS FUND				
ASSETS				
Cash (in transit and imprest funds).....	\$ -	\$ 2	\$ 2	\$ -
Equity in State Treasurer's Common Cash Fund.....	17,489	21,521	20,363	18,647
Amounts due from other funds.....	5,000	-	5,000	-
Other assets.....	1,469	630	347	1,752
Total Assets.....	\$ 23,959	\$ 22,153	\$ 25,712	\$ 20,400
LIABILITIES				
Warrants outstanding.....	\$ 96	\$ 1,568	\$ 1,607	\$ 57
Accounts payable.....	39	1,531	1,537	33
Other liabilities.....	23,823	21,449	24,964	20,308
Total Liabilities.....	\$ 23,959	\$ 24,550	\$ 28,109	\$ 20,400
LOCAL EMERGENCY FINANCIAL ASSISTANCE LOAN FUND				
ASSETS				
Equity in State Treasurer's Common Cash Fund.....	\$ 5,000	\$ -	\$ 5,000	\$ -
Total Assets.....	\$ 5,000	\$ -	\$ 5,000	\$ -
LIABILITIES				
Amounts due to other funds.....	\$ 5,000	\$ -	\$ 5,000	\$ -
Total Liabilities.....	\$ 5,000	\$ -	\$ 5,000	\$ -

Continued on next page

STATE OF MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND
LIABILITIES - AGENCY FUNDS (Continued)
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

CONTRIBUTION FUND (SOCIAL SECURITY)	BALANCE OCTOBER 1, 1980	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1981
ASSETS				
Cash (in transit and imprest funds).....	\$ -	\$ 2,761	\$ 2,745	\$ 16
Equity in State Treasurer's Common Cash Fund.....	73,110	1,066,168	1,049,629	89,650
Amounts due from other funds.....	26,676	20,216	26,676	20,216
Amounts receivable from federal governmental agencies..	-	121	-	121
Other assets.....	10	21	32	-
Total Assets.....	\$ 99,798	\$ 1,089,290	\$ 1,079,084	\$ 110,004
LIABILITIES				
Warrants outstanding.....	\$ 63,575	\$ 959,604	\$ 961,147	\$ 62,031
Accounts payable.....	18	959,583	959,602	-
Payroll taxes payable from Contribution Fund.....	35,754	47,593	35,754	47,593
Other liabilities.....	449	971,455	971,526	378
Total Liabilities.....	\$ 99,798	\$ 2,938,237	\$ 2,928,031	\$ 110,004
AIRPORT AUTHORITIES FACILITIES IMPROVEMENT TRUST FUND				
ASSETS				
Equity in State Treasurer's Common Cash Fund.....	\$ 741	\$ 327	\$ 702	\$ 367
Amounts due from other funds.....	19	16	19	16
Total Assets.....	\$ 760	\$ 344	\$ 721	\$ 383
LIABILITIES				
Warrants outstanding.....	\$ -	\$ 697	\$ 697	\$ -
Accounts payable.....	-	696	697	-
Amounts withheld from contractors.....	6	9	6	9
Amounts due to other governmental agencies.....	45	118	45	118
Other liabilities.....	707	73	525	255
Total Liabilities.....	\$ 760	\$ 1,594	\$ 1,971	\$ 383
SCHOOL EMERGENCY LOAN REVOLVING FUND				
ASSETS				
Equity in State Treasurer's Common Cash Fund.....	\$ -	\$ 457	\$ 457	\$ -
Amounts receivable from local units of government.....	1,908	79	433	1,555
Total Assets.....	\$ 1,908	\$ 537	\$ 891	\$ 1,555
LIABILITIES				
Amounts due to other funds.....	\$ 1,884	\$ -	\$ 384	\$ 1,500
Other liabilities.....	23	104	73	55
Total Liabilities.....	\$ 1,908	\$ 104	\$ 457	\$ 1,555

Continued on next page

STATE OF MICHIGAN

COMBINING STATEMENT OF CHANGES IN ASSETS AND

LIABILITIES - AGENCY FUNDS (Continued)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

	BALANCE OCTOBER 1, 1980	ADDITIONS	DEDUCTIONS	BALANCE SEPTEMBER 30, 1981
TOXIC SUBSTANCE LOAN REVOLVING FUND				
ASSETS				
Equity in State Treasurer's Common Cash Fund.....	\$ 915	\$ 459	\$ 1,375	\$ -
Amounts receivable from individuals.....	6,369	1,025	357	7,037
Total Assets.....	\$ 7,285	\$ 1,484	\$ 1,732	\$ 7,037
LIABILITIES				
Warrants outstanding.....	\$ 35	\$ 1,099	\$ 1,134	\$ -
Accounts payable.....	-	1,024	1,024	-
Amounts due to other funds.....	7,250	-	212	7,037
Total Liabilities.....	\$ 7,285	\$ 2,124	\$ 2,371	\$ 7,037
HAZARDOUS AND SOLID WASTE DISPOSAL FACILITIES CLOSURE GUARANTEE FUND				
ASSETS				
Equity in State Treasurer's Common Cash Fund.....	\$ -	\$ 10	\$ -	\$ 10
Total Assets.....	\$ -	\$ 10	\$ -	\$ 10
LIABILITIES				
Other liabilities.....	\$ -	\$ 10	\$ -	\$ 10
Total Liabilities.....	\$ -	\$ 10	\$ -	\$ 10
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash (in transit and imprest funds).....	\$ 1,517	\$ 15,689	\$ 15,506	\$ 1,700
Equity in State Treasurer's Common Cash Fund.....	97,266	1,090,421	1,078,891	108,796
Amounts due from other funds.....	31,695	20,233	31,695	20,233
Amounts receivable from federal governmental agencies..	84	271	84	271
Amounts receivable from local units of government.....	1,908	79	433	1,555
Amounts receivable from individuals.....	6,369	1,025	357	7,037
Other assets.....	1,792	3,094	2,698	2,188
Total Assets.....	\$ 140,633	\$ 1,130,816	\$ 1,129,667	\$ 141,782
LIABILITIES				
Liability to State Treasurer's Common Cash Fund.....	\$ 131	\$ 1,030,877	\$ 1,030,895	\$ 113
Warrants outstanding.....	63,708	969,824	971,279	62,254
Accounts payable.....	1,302	970,027	969,715	1,613
Amounts due to other funds.....	14,134	-	5,597	8,537
Amounts withheld from contractors.....	6	9	6	9
Amounts due to other governmental agencies.....	130	1,732	1,593	269
Payroll taxes payables from Contribution Fund.....	35,754	47,593	35,754	47,593
Other liabilities.....	25,463	2,022,970	2,027,043	21,391
Total Liabilities.....	\$ 140,633	\$ 5,043,035	\$ 5,041,886	\$ 141,782

FINANCIAL SECTION

SUPPLEMENTAL FINANCIAL STATEMENTS

GENERAL FUND					
	1980-81 TOTAL AUTHORIZATIONS	TOTAL EXPENDED AND TRANSFERRED	BALANCES FORWARD TO 1981-82	TOTAL LAPSED	OVER EXPENDED OR OVER OBLIGATED
Current:					
General government.....	\$ 350,419	\$ 350,658	\$ 12,099	\$ 11,024	\$ 23,363
Education.....	1,168,215	1,137,872	2,497	28,067	222
Health and welfare.....	3,339,954	3,284,977	3,858	68,306	17,187
Public safety and corrections.....	348,800	338,219	3,833	6,786	39
Conservation and recreation.....	143,499	134,995	5,144	4,261	902
Regulatory.....	246,566	238,005	5,144	5,062	1,645
Mental health.....	709,974	714,708	1,880	5,787	12,402
Transportation.....	-	-	-	-	-
Other.....	719,554	631,474	83,391	5,188	499
Capital outlay.....	113,781	52,972	58,635	3,646	1,472
Total.....	<u>7,140,767</u>	<u>6,883,884</u>	<u>176,485</u>	<u>138,131</u>	<u>57,734</u>
Other Financing Uses:					
Operating transfers out.....	743,533	740,686	9,803	-	6,957
Total.....	<u>\$ 7,884,300</u>	<u>\$ 7,624,571</u>	<u>\$ 186,289</u>	<u>\$ 138,131</u>	<u>\$ 64,692</u>

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STATE OF MICHIGAN

COMBINED SCHEDULE OF EXPENDITURES AND TRANSFERS COMPARED WITH AUTHORIZATIONS

GENERAL AND SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

SPECIAL REVENUE FUNDS

TOTALS
(MEMORANDUM ONLY)

1980-81 TOTAL AUTHORIZATIONS	TOTAL EXPENDED AND TRANSFERRED	BALANCES FORWARD TO 1981-82	TOTAL LAPSED	OVER EXPENDED OR OVER OBLIGATED	1980-81 TOTAL AUTHORIZATIONS	TOTAL EXPENDED AND TRANSFERRED	BALANCES FORWARD TO 1981-82	TOTAL LAPSED	OVER EXPENDED OR OVER OBLIGATED
\$ 327,122	\$ 312,862	\$ 14,259	\$ -	\$ -	\$ 677,541	\$ 663,521	\$ 26,359	\$ 11,024	\$ 23,363
11,810,180	1,811,078	-	-	898	2,978,395	2,948,951	2,497	28,067	1,120
462	-	462	-	-	3,339,954	3,284,977	3,858	68,306	17,187
33,106	11,774	29,390	-	8,057	349,263	338,219	4,295	6,786	39
157,305	147,643	9,662	-	-	176,606	146,769	34,534	4,261	8,959
-	-	-	-	-	403,872	385,649	14,806	5,062	1,645
814,020	645,777	126,004	42,338	100	709,974	714,708	1,880	5,787	12,402
-	-	-	-	-	814,020	645,777	126,004	42,338	100
477,930	290,437	180,833	659	-	719,554	631,474	83,391	5,188	499
-	-	-	-	-	585,712	343,409	239,469	4,305	1,472
7,614,128	3,219,574	360,612	42,997	9,055	10,754,896	10,103,459	537,098	181,129	66,790
1,006,006	955,041	1,940	49,046	21	1,749,539	1,695,728	11,744	49,046	6,979
\$ 4,621,135	\$ 4,174,615	\$ 262,553	\$ 92,043	\$ 9,077	\$12,504,436	\$11,799,187	\$ 548,843	\$ 230,175	\$ 73,769

STATE OF MICHIGAN
COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS COMPARED WITH AUTHORIZATIONS
SPECIAL REVENUE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

	1980-81 TOTAL AUTHORIZATION	TOTAL EXPENDED AND TRANSFERRED	BALANCES FORWARD TO 1981-82	TOTAL LAPSED	OVER EXPENDED OR OVER OBLIGATED
Current:					
General government.....	\$ 327,122	\$ 312,862	\$ 14,259	\$ -	\$ -
Education.....	1,810,180	1,811,078	-	-	898
Public safety and corrections.....	462	-	462	-	-
Conservation and recreation.....	33,106	11,774	29,390	-	8,057
Regulatory.....	157,305	147,643	9,662	-	-
Transportation.....	814,020	645,777	126,004	42,338	100
Total current.....	<u>3,142,198</u>	<u>2,929,137</u>	<u>179,778</u>	<u>42,338</u>	<u>9,055</u>
Capital Outlay:					
Conservation and recreation.....	35,673	18,710	16,499	463	-
Regulatory.....	92	-	92	-	-
Transportation.....	436,164	271,726	164,242	195	-
Total capital outlay.....	<u>471,930</u>	<u>290,437</u>	<u>180,833</u>	<u>659</u>	<u>-</u>
Total.....	<u>3,614,128</u>	<u>3,219,574</u>	<u>360,612</u>	<u>42,997</u>	<u>9,055</u>
Other Financing Uses:					
Operating transfers out:					
General government.....	224,316	222,432	-	1,884	-
Education.....	28	28	-	-	-
Public safety and corrections.....	2,000	2,000	-	-	-
Conservation and recreation.....	45,902	40,187	1,922	3,814	21
Regulatory.....	7,229	6,876	18	334	-
Transportation.....	726,529	683,516	-	43,012	-
Total other financing uses.....	<u>1,006,006</u>	<u>955,041</u>	<u>1,940</u>	<u>49,046</u>	<u>21</u>
Total.....	<u>\$ 4,620,135</u>	<u>\$ 4,174,615</u>	<u>\$ 362,553</u>	<u>\$ 92,043</u>	<u>\$ 9,077</u>

STATE OF MICHIGAN
COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS COMPARED WITH AUTHORIZATIONS

SPECIAL REVENUE FUNDS

(TRANSPORTATION RELATED)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

FUND	1980-81 TOTAL AUTHORIZATIONS	TOTAL EXPENDED AND TRANSFERRED	BALANCES FORWARD TO 1981-82	TOTAL LAPSED	OVER EXPENDED OR OVER OBLIGATED
State Aeronautics Fund					
Current.....	\$ 3,991	\$ 2,610	\$ 305	\$ 1,078	\$ 4
Capital outlay.....	22,247	13,738	8,313	195	-
Total.....	26,238	16,349	8,618	1,274	4
Other Financing Uses:					
Operating transfers out.....	307	300	-	7	-
Fund Total.....	\$ 26,545	\$ 16,649	\$ 8,618	\$ 1,281	\$ 4
State Trunkline Fund					
Current.....	\$ 182,061	\$ 177,204	\$ 4,864	\$ -	\$ 6
Capital outlay.....	398,871	242,942	155,929	-	-
Total.....	580,932	420,146	160,793	-	6
Other Financing Uses:					
Operating transfers out.....	32,749	32,749	-	-	-
Fund Total.....	\$ 613,682	\$ 452,895	\$ 160,793	\$ -	\$ 6
State Transportation Department Fund					
Other Financing Uses:					
Operating transfers out.....	\$ 311,842	\$ 293,754	\$ -	\$ 18,088	\$ -
Fund Total.....	\$ 311,842	\$ 293,754	\$ -	\$ 18,088	\$ -
Michigan Transportation Fund					
Current.....	\$ 367,236	\$ 345,459	\$ 3,016	\$ 18,760	\$ -
Total.....	367,236	345,459	3,016	18,760	-
Other Financing Uses:					
Operating transfers out.....	366,974	342,057	-	24,917	-
Fund Total.....	\$ 734,211	\$ 687,516	\$ 3,016	\$ 43,677	\$ -

Comprehensive Transportation Fund					
Current.....	\$ 182,121	\$ 103,604	\$ 56,107	\$ 22,499	\$ 89
Total.....	<u>182,121</u>	<u>103,604</u>	<u>56,107</u>	<u>22,499</u>	<u>89</u>
Other Financing Uses:					
Operating transfers out.....	<u>14,654</u>	<u>14,654</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Total.....	<u>\$ 196,776</u>	<u>\$ 118,258</u>	<u>\$ 56,107</u>	<u>\$ 22,499</u>	<u>\$ 89</u>
Comprehensive Transportation Bond Construction Fund					
Current.....	\$ 78,609	\$ 16,898	\$ 61,711	\$ -	\$ -
Capital outlay.....	<u>15,045</u>	<u>15,045</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Total.....	<u>\$ 93,655</u>	<u>\$ 31,944</u>	<u>\$ 61,711</u>	<u>\$ -</u>	<u>\$ -</u>
Combined Transportation					
Current.....	\$ 814,020	\$ 645,777	\$ 126,004	\$ 42,338	\$ 100
Capital outlay.....	<u>436,164</u>	<u>271,726</u>	<u>164,242</u>	<u>195</u>	<u>-</u>
Total.....	<u>1,250,185</u>	<u>917,504</u>	<u>290,246</u>	<u>42,534</u>	<u>100</u>
Other Financing Uses:					
Operating transfers out.....	<u>726,529</u>	<u>683,516</u>	<u>-</u>	<u>43,012</u>	<u>-</u>
Combined Total.....	<u>\$ 1,976,714</u>	<u>\$ 1,601,020</u>	<u>\$ 290,246</u>	<u>\$ 85,547</u>	<u>\$ 100</u>

STATE OF MICHIGAN
COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS COMPARED WITH AUTHORIZATIONS

SPECIAL REVENUE FUNDS
(CONSERVATION AND RECREATION RELATED)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

<u>FUND</u>	<u>1980-81 TOTAL AUTHORIZATIONS</u>	<u>TOTAL EXPENDED AND TRANSFERRED</u>	<u>BALANCES FORWARD TO 1981-82</u>	<u>TOTAL LAPSED</u>	<u>OVER EXPENDED OR OVER OBLIGATED</u>
Game and Fish Protection Fund					
Capital outlay.....	\$ 2,966	\$ 766	\$ 2,200	\$ -	\$ -
Total.....	2,966	766	2,200	-	-
Other Financing Uses:					
Operating transfers out.....	34,297	30,835	1,922	1,561	21
Fund Total.....	\$ 37,264	\$ 31,601	\$ 4,122	\$ 1,561	\$ 21
Michigan State Waterways Fund					
Capital outlay.....	\$ 8,037	\$ 3,170	\$ 4,465	\$ 401	\$ -
Total.....	8,037	3,170	4,465	401	-
Other Financing Uses:					
Operating transfers out.....	6,176	4,700	-	1,476	-
Fund Total.....	\$ 14,214	\$ 7,871	\$ 4,465	\$ 1,877	\$ -
Marine Safety Fund					
Other Financing Uses:					
Operating transfers out.....	\$ 3,579	\$ 3,162	\$ -	\$ 416	\$ -
Fund Total.....	\$ 3,579	\$ 3,162	\$ -	\$ 416	\$ -
State Park Improvement Fund					
Capital outlay.....	\$ 6,643	\$ 1,820	\$ 4,760	\$ 62	\$ -
Total.....	6,643	1,820	4,760	62	-
Other Financing Uses:					
Operating transfers out.....	1,722	1,431	-	291	-
Fund Total.....	\$ 8,366	\$ 3,252	\$ 4,760	\$ 353	\$ -

State Recreational Land Acquisition Trust Fund					
Capital outlay.....	\$ 18,025	\$ 12,953	\$ 5,071	\$ -	\$ -
Total.....	<u>18,025</u>	<u>12,953</u>	<u>5,071</u>	<u>-</u>	<u>-</u>
Other Financing Uses:					
Operating transfers out.....	126	57	-	68	-
Fund Total.....	<u>\$ 18,151</u>	<u>\$ 13,011</u>	<u>\$ 5,071</u>	<u>\$ 68</u>	<u>\$ -</u>
Water Pollution Control Bond Fund					
Current.....	\$ 30,909	\$ 11,632	\$ 27,334	\$ -	\$ 8,057
Fund Total.....	<u>\$ 30,909</u>	<u>\$ 11,632</u>	<u>\$ 27,334</u>	<u>\$ -</u>	<u>\$ 8,057</u>
State Sewer Construction Fund					
Current.....	\$ 1,930	\$ 141	\$ 1,789	\$ -	\$ -
Fund Total.....	<u>\$ 1,930</u>	<u>\$ 141</u>	<u>\$ 1,789</u>	<u>\$ -</u>	<u>\$ -</u>
Hazardous Waste Management Fund					
Current.....	\$ 267	\$ -	\$ 267	\$ -	\$ -
Fund Total.....	<u>\$ 267</u>	<u>\$ -</u>	<u>\$ 267</u>	<u>\$ -</u>	<u>\$ -</u>
Combined Conservation and Recreation					
Current.....	\$ 33,106	\$ 11,774	\$ 29,390	\$ -	\$ 8,057
Capital outlay.....	35,673	18,710	16,499	463	-
Total.....	<u>68,780</u>	<u>30,484</u>	<u>45,889</u>	<u>463</u>	<u>8,057</u>
Other Financing Uses:					
Operating transfers out.....	45,902	40,187	1,922	3,814	21
Combined Total.....	<u>\$ 114,682</u>	<u>\$ 70,672</u>	<u>\$ 47,811</u>	<u>\$ 4,277</u>	<u>\$ 8,079</u>

STATE OF MICHIGAN
COMBINING SCHEDULE OF EXPENDITURES AND TRANSFERS COMPARED WITH AUTHORIZATIONS
SPECIAL REVENUE FUNDS
(OTHER)

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

FUND	1980-81 TOTAL AUTHORIZATIONS	TOTAL EXPENDED AND TRANSFERRED	BALANCES FORWARD TO 1981-82	TOTAL LAPSED	OVER EXPENDED OR OVER OBLIGATED
Counter-Cyclical Budget and Economic Stabilization Fund					
Other Financing Uses:					
Operating transfers out					
General government.....	\$ 16,289	\$ 16,289	\$ -	\$ -	\$ -
Fund Total.....	\$ 16,289	\$ 16,289	\$ -	\$ -	\$ -
Michigan Employment Security Act - Administration Fund					
Current:					
Regulatory.....	\$ 157,305	\$ 147,643	\$ 9,662	\$ -	\$ -
Capital outlay:					
Regulatory.....	92	-	92	-	-
Total.....	157,397	147,643	9,754	-	-
Other Financing Uses:					
Operating transfers out					
Regulatory.....	3,424	3,405	18	-	-
Fund Total.....	\$ 160,822	\$ 151,049	\$ 9,773	\$ -	\$ -
Michigan Veterans' Benefit (Trust) Fund					
Current:					
General government.....	\$ 3,820	\$ 2,917	\$ 903	\$ -	\$ -
Total.....	3,820	2,917	903	-	-
Other Financing Uses:					
Operating transfers out					
General government.....	2,251	2,209	-	41	-
Fund Total.....	\$ 6,071	\$ 5,127	\$ 903	\$ 41	\$ -
School Aid Fund					
Current:					
Education.....	\$ 1,810,180	\$ 1,811,078	\$ -	\$ -	\$ 898
Total.....	1,810,180	1,811,078	-	-	898
Other Financing Uses:					
Operating transfers out					
Education.....	28	28	-	-	-
Fund Total.....	\$ 1,810,208	\$ 1,811,107	\$ -	\$ -	\$ 898
Motor Vehicle Accident Claims Fund					
Other Financing Uses:					
Operating transfers out					
General government.....	\$ 3,727	\$ 1,885	\$ -	\$ 1,842	\$ -
Fund Total.....	\$ 3,727	\$ 1,885	\$ -	\$ 1,842	\$ -

Safety Education and Training Fund

Other Financing Uses:

Operating transfers out

Regulatory.....	\$ 1,854	\$ 1,519	\$ -	\$ 334	\$ -
Fund Total.....	\$ 1,854	\$ 1,519	\$ -	\$ 334	\$ -

Vietnam Veteran Era Bonus Fund

Current:

Public safety and corrections.....	\$ 462	\$ -	\$ 462	\$ -	\$ -
Total.....	462	-	462	-	-

Other Financing Uses:

Operating transfers out

Public safety and corrections.....	2,000	2,000	-	-	-
Fund Total.....	\$ 2,462	\$ 2,000	\$ 462	\$ -	\$ -

School Bond Loan Fund

Current:

General government.....	\$ 17,175	\$ 5,260	\$ 11,915	\$ -	\$ -
Fund Total.....	\$ 17,175	\$ 5,260	\$ 11,915	\$ -	\$ -

State Construction Code Fund

Other Financing Uses:

Operating transfers out

Regulatory.....	\$ 1,951	\$ 1,951	\$ -	\$ -	\$ -
Fund Total.....	\$ 1,951	\$ 1,951	\$ -	\$ -	\$ -

State Lottery Fund

Current:

General government.....	\$ 306,126	\$ 304,685	\$ 1,440	\$ -	\$ -
Total.....	306,126	304,685	1,440	-	-

Other Financing Uses:

Operating transfers out

General government.....	202,048	202,048	-	-	-
Fund Total.....	\$ 508,174	\$ 506,733	\$ 1,440	\$ -	\$ -

Combined Total

Current:

General government.....	\$ 327,122	\$ 312,862	\$ 14,259	\$ -	\$ -
Education.....	1,810,180	1,811,078	-	-	898
Public safety and corrections.....	462	-	462	-	-
Regulatory.....	157,305	147,643	9,662	-	-
Total current.....	2,295,070	2,271,585	24,383	-	898

Capital outlay:

Regulatory.....	92	-	92	-	-
Total capital outlay.....	92	-	92	-	-

Other Financing Uses:

Operating transfers out

General government.....	224,316	222,432	-	1,884	-
Education.....	28	28	-	-	-
Public safety and corrections.....	2,000	2,000	-	-	-
Regulatory.....	7,229	6,876	18	334	-
Total other financing uses.....	233,574	231,337	18	2,219	-
Total.....	\$ 2,528,738	\$ 2,502,922	\$ 24,494	\$ 2,219	\$ 898

STATE OF MICHIGAN
SCHEDULE OF GENERAL OBLIGATION LONG-TERM DEBT
SEPTEMBER 30, 1981
(In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR
THE PAYMENT OF GENERAL OBLIGATION LONG-TERM DEBT

Serial Bonds

Amount available in debt service funds

School Loan Bond Redemption Fund..... \$ 5,837

Amount to be provided

School loan bonds..... \$ 55,762

Water pollution control bonds..... 157,000

Public recreation bonds..... 32,000

Vietnam veteran era bonus bonds..... 159,000

403,762

TOTAL AVAILABLE AND TO BE PROVIDED.....

\$ 409,600

GENERAL OBLIGATION LONG-TERM DEBT PAYABLE

Serial bonds payable.....

\$ 409,600

TOTAL GENERAL OBLIGATION LONG-TERM DEBT PAYABLE.....

\$ 409,600

STATE OF MICHIGAN
SCHEDULE OF REVENUE DEDICATED LONG-TERM DEBT
SEPTEMBER 30, 1981
(In Thousands)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR
THE PAYMENT OF REVENUE DEDICATED LONG-TERM DEBT

Serial Bonds

Amount available in debt service funds

State Park Revenue Bond Fund.....	\$	3,425	
Expressways Bond and Interest Redemption Fund.....		15,995	
Comprehensive Transportation Bond and Interest Redemption Fund.....		65	
		<u>19,486</u>	

Amount to be provided

State park revenue bonds.....	\$	9,384	
Transportation tax dedicated bonds.....		232,094	
Transportation joint venture tax dedicated bonds.....		<u>6,199</u>	
			<u>247,678</u>

TOTAL AVAILABLE AND TO BE PROVIDED.....	\$	<u><u>267,165</u></u>
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REVENUE DEDICATED LONG-TERM DEBT PAYABLE

Serial bonds payable.....	\$	<u>267,165</u>
TOTAL REVENUE DEDICATED LONG-TERM DEBT PAYABLE.....	\$	<u><u>267,165</u></u>

STATE OF MICHIGAN
SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY
SEPTEMBER 30, 1981
(In Thousands)

ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS

<u>FISCAL YEAR ENDING SEPTEMBER 30</u>	<u>GENERAL OBLIGATION BONDS</u>	<u>REVENUE BONDS</u>	<u>TOTAL</u>
1982.....	\$ 68,587	\$ 46,388	\$ 114,976
1983.....	69,293	41,276	110,569
1984.....	65,068	41,185	106,254
1985.....	63,126	34,804	97,931
1986.....	61,092	27,021	88,113
1987.....	47,743	23,169	70,912
1988.....	29,630	16,948	46,579
1989.....	25,467	17,061	42,528
1990.....	16,533	16,741	33,274
1991.....	10,909	16,632	27,542
1992.....	10,478	16,562	27,040
1993.....	10,084	16,418	26,502
1994.....	6,765	16,089	22,854
1995.....	5,518	15,942	21,460
1996.....	5,343	14,867	20,210
1997.....	5,242	14,731	19,974
1998.....	5,141	14,761	19,903
1999.....	4,060	14,670	18,730
2000.....	-	14,643	14,643
2001.....	-	14,630	14,630
2002.....	-	14,567	14,567
2003.....	-	14,566	14,566
2004.....	-	14,507	14,507
2005.....	-	14,446	14,446
2006.....	-	14,426	14,426
2007.....	-	14,339	14,339
2008.....	-	14,286	14,286
2009.....	-	14,203	14,203
2010.....	-	10,739	10,739
2011.....	-	11,150	11,150
<u>TOTAL.....</u>	<u>\$ 510,085</u>	<u>\$ 571,781</u>	<u>\$ 1,081,867</u>

STATE OF MICHIGAN
DEBT SERVICE REQUIREMENTS TO MATURITY - GENERAL OBLIGATION BONDS

SEPTEMBER 30, 1981

(In Thousands)

<u>FISCAL YEAR ENDING SEPTEMBER 30</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL REQUIREMENTS</u>
1982.....	\$ 48,600	\$ 19,987	\$ 68,587
1983.....	51,700	17,593	69,293
1984.....	50,000	15,068	65,068
1985.....	50,600	12,526	63,126
1986.....	51,200	9,892	61,092
1987.....	40,300	7,443	47,743
1988.....	24,500	5,130	29,630
1989.....	21,700	3,767	25,467
1990.....	14,000	2,533	16,533
1991.....	9,000	1,909	10,909
1992.....	9,000	1,478	10,478
1993.....	9,000	1,084	10,084
1994.....	6,000	765	6,765
1995.....	5,000	518	5,518
1996.....	5,000	343	5,343
1997.....	5,000	242	5,242
1998.....	5,000	141	5,141
1999.....	4,000	60	4,060
TOTAL.....	<u>\$ 409,600</u>	<u>\$ 100,485</u>	<u>\$ 510,085</u>

STATE OF MICHIGAN
DEBT SERVICE REQUIREMENTS TO MATURITY - REVENUE BONDS
SEPTEMBER 30, 1981
(In Thousands)

<u>FISCAL YEAR</u> <u>ENDING SEPTEMBER 30</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>REQUIREMENTS</u>
1982.....	\$ 28,560	\$ 17,828	\$ 46,388
1983.....	23,795	17,481	41,276
1984.....	24,765	16,420	41,185
1985.....	19,370	15,434	34,804
1986.....	12,410	14,611	27,021
1987.....	9,185	13,984	23,169
1988.....	3,345	13,603	16,948
1989.....	3,765	13,296	17,061
1990.....	3,785	12,956	16,741
1991.....	4,020	12,612	16,632
1992.....	4,320	12,242	16,562
1993.....	4,570	11,848	16,418
1994.....	4,600	11,489	16,089
1995.....	4,825	11,117	15,942
1996.....	4,100	10,767	14,867
1997.....	4,300	10,431	14,731
1998.....	4,700	10,061	14,761
1999.....	5,000	9,670	14,670
2000.....	5,400	9,243	14,643
2001.....	5,850	8,780	14,630
2002.....	6,300	8,267	14,567
2003.....	6,850	7,716	14,566
2004.....	7,400	7,107	14,507
2005.....	8,000	6,446	14,446
2006.....	8,700	5,726	14,426
2007.....	9,400	4,939	14,339
2008.....	10,200	4,086	14,286
2009.....	11,050	3,153	14,203
2010.....	8,600	2,139	10,739
2011.....	10,000	1,150	11,150
TOTAL.....	<u>\$ 267,165</u>	<u>\$ 304,616</u>	<u>\$ 571,781</u>

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STATE OF MICHIGAN

COMBINED SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES

GENERAL AND SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
TAXES			
Sales tax.....	\$ 1,594,970	\$ 1,355,725	\$ 239,245
Personal income tax.....	2,036,016	1,883,377	152,639
Corporation income tax.....	5,751	5,751	-
Single business tax.....	942,249	780,995	161,254
Use tax.....	245,689	245,689	-
Cigarette tax.....	152,827	152,827	-
Beer and wine tax.....	51,436	51,436	-
Liquor excise tax.....	38,990	38,990	-
Horse race wagering tax.....	24,356	11,914	12,442
Intangibles tax.....	44,694	44,694	-
Inheritance tax.....	55,347	55,347	-
Telephone and telegraph company tax.....	98,773	98,773	-
Insurance company premium tax.....	110,972	110,972	-
Motor vehicle weight tax.....	211,009	-	211,009
Gasoline tax.....	417,497	5	417,491
Aviation fuel tax.....	3,543	3,543	-
Diesel fuel tax.....	20,071	-	20,071
Gas and oil severance tax.....	82,678	82,678	-
Industrial facilities tax.....	21,254	21,254	-
Penalties and interest - sales, income, use, and single business tax.....	27,179	27,179	-
Watercraft registration tax.....	5,959	5,959	-
All other taxes.....	3,748	3,205	543
	6,195,020	4,980,323	1,214,697
FROM FEDERAL AGENCIES FOR			
Social service programs.....	1,566,315	36,301	1,530,013
School lunch programs.....	101,786	-	101,786
Vocational education and rehabilitation.....	81,467	-	81,467
Elementary and secondary education.....	146,063	-	146,063
Various other education purposes.....	55,568	-	55,568
Various public health programs.....	75,069	3,173	71,895
Mental health programs.....	10,731	7,971	2,759
Various natural resources programs.....	35,979	2,655	33,324
Aviation programs.....	11,416	48	11,368
Transportation programs.....	159,346	9,789	149,556
Employment Security Commission--administration.....	149,606	-	149,606
Omnibus crime control.....	10,247	-	10,247
Comprehensive Employment and Training Act (CETA)....	85,554	-	85,554
Older Americans Act.....	23,479	-	23,479
State police and military programs.....	21,856	283	21,572
Weatherization assistance program.....	21,942	-	21,942
All other purposes.....	46,029	7,713	38,315
	2,602,459	67,938	2,534,521
FROM LOCAL AGENCIES FOR			
Social service programs.....	37,220	1,509	35,710
Mental health programs.....	162,411	13,606	148,804
Highway construction and aviation programs.....	4,697	17	4,680
All other purposes.....	8,658	1,360	7,298
	212,988	16,494	196,494

STATE OF MICHIGAN

COMBINED SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES (Continued)

GENERAL AND SPECIAL REVENUE FUNDS

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

<u>SOURCE</u>	<u>TOTAL</u>	<u>GENERAL PURPOSE</u>	<u>RESTRICTED</u>
FROM SERVICES			
Charges for furnishing vehicle driver records.....	\$ 15,642	\$ 5,426	\$ 10,215
Revenue from patients, wards, and inmates.....	33,734	24,640	9,093
All other services.....	6,450	3,303	3,147
	<u>55,827</u>	<u>33,370</u>	<u>22,456</u>
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses.....	11,551	918	10,632
Motor vehicle operators' and chauffeurs' licenses...	13,029	197	12,831
Examination fees -- financial institutions and insurance industry.....	3,498	2,757	740
Department of Licensing and Regulation licenses and permits.....	11,618	11,618	-
Concession and privilege fees - state parks.....	6,101	-	6,101
Motor vehicle title fees, license plate transfer and dealers' plates, various special fees, and registrations.....	20,231	120	20,110
Hunting, fishing, and trapping licenses.....	24,786	22,668	2,118
Public utility assessment fees.....	9,124	655	8,468
Department of Agriculture licenses and permits.....	329	984	1,344
Auto repair facilities and mechanics licenses and fees.....	2,225	242	1,983
Other licenses and permits.....	23,088	14,290	8,797
	<u>127,584</u>	<u>54,455</u>	<u>73,128</u>
MISCELLANEOUS			
Income from investments.....	73,871	36,550	37,320
Various fines, fees, and assessments.....	13,229	3,969	9,260
District court fees.....	5,806	5,806	-
Oil and gas royalties, fees, assignments, and rentals.....	80,489	76,118	4,371
Lottery ticket sales.....	502,389	12,884	489,504
Revenue from escheated estates.....	13,500	13,500	-
Air and water surveillance fees.....	5,247	-	5,247
Mackinaw Bridge and International Bridge Authority - payroll contributions.....	2,399	-	2,399
Rental of property.....	2,954	619	2,335
Sale of forest products on tax reverted land.....	2,789	-	2,789
Other miscellaneous.....	32,501	21,077	11,424
	<u>735,179</u>	<u>170,526</u>	<u>564,653</u>
Total Revenue.....	<u>9,929,060</u>	<u>5,323,108</u>	<u>4,605,952</u>
OTHER FINANCING SOURCES			
Proceeds from sale of bonds.....	64,010	-	64,010
Operating transfers in:			
From general and special revenue funds.....	1,604,501	1,478,113	126,388
From other funds.....	108,680	75,442	33,238
Total Other Financing Sources.....	<u>1,777,192</u>	<u>1,553,555</u>	<u>223,636</u>
Total Revenue and Other Financing Sources.....	<u>\$11,706,253</u>	<u>\$ 6,876,664</u>	<u>\$ 4,829,589</u>

STATE OF MICHIGAN
SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES

GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
TAXES			
Sales tax.....	\$ 613,950	\$ 374,704	\$ 239,245
Personal income tax.....	2,036,016	1,883,377	152,639
Corporation income tax.....	5,751	5,751	-
Single business tax.....	942,249	780,995	161,254
Use tax.....	245,689	245,689	-
Cigarette tax.....	125,040	125,040	-
Beer and wine tax.....	51,436	51,436	-
Liquor excise tax--4%.....	19,495	19,495	-
Horse race wagering tax.....	24,356	11,914	12,442
Intangibles tax.....	44,694	44,694	-
Inheritance tax.....	55,347	55,347	-
Telephone and telegraph company tax.....	98,773	98,773	-
Insurance company premium tax.....	110,972	110,972	-
Gas and oil severance tax.....	82,678	82,678	-
Penalties and interest - sales, use, income, and single business tax.....	27,179	27,179	-
All other taxes.....	2,988	2,988	-
	<u>4,486,623</u>	<u>3,921,042</u>	<u>565,581</u>
FROM FEDERAL AGENCIES FOR			
Social service programs.....	1,566,315	36,301	1,530,013
School lunch programs.....	101,786	-	101,786
Vocational education and rehabilitation.....	81,467	-	81,467
Elementary and secondary education.....	146,063	-	146,063
Various other education purposes.....	24,375	-	24,375
Various public health programs.....	75,069	3,173	71,895
Mental health programs.....	10,731	7,971	2,759
Various natural resources programs.....	28,105	1,943	26,162
Comprehensive Employment Training Act (CETA).....	85,554	-	85,554
Omnibus crime control.....	10,247	-	10,247
Older Americans Act.....	23,479	-	23,479
State police and military programs.....	21,856	283	21,572
Weatherization assistance program.....	21,942	-	21,942
All other purposes.....	43,204	7,109	36,094
	<u>2,240,198</u>	<u>56,784</u>	<u>2,183,413</u>
FROM LOCAL AGENCIES FOR			
Social service programs.....	37,220	1,509	35,710
Mental health programs.....	162,411	13,606	148,804
All other purposes.....	7,013	600	6,413
	<u>206,645</u>	<u>15,716</u>	<u>190,928</u>
FROM SERVICES			
Charges for furnishing vehicle driver records.....	15,642	5,426	10,215
Revenue from patients, wards, and inmates.....	33,734	24,640	9,093
All other services.....	5,319	2,220	3,099
	<u>54,696</u>	<u>32,287</u>	<u>22,408</u>

STATE OF MICHIGAN

SCHEDULE OF REVENUE AND OTHER FINANCING SOURCES (Continued)

GENERAL FUND

FISCAL YEAR ENDED SEPTEMBER 30, 1981

(In Thousands)

SOURCE	TOTAL	GENERAL PURPOSE	RESTRICTED
FROM LICENSES AND PERMITS			
Liquor retailers', manufacturers', and wholesalers' licenses.....	\$ 11,551	\$ 918	\$ 10,632
Motor vehicle operators' and chauffeurs' licenses.....	13,029	197	12,831
Examination fees--banks, buildings and loan companies, trust companies, credit unions, and insurance companies.....	3,498	2,757	740
Department of Licensing and Regulation licenses and permits.....	11,618	11,618	-
Concession and privilege fees-state parks.....	6,101	-	6,101
Motor vehicle title fees, license plate transfer and dealers' plates, various special fees, and registrations.....	2,034	120	1,913
Public utility assessment fees.....	9,124	655	8,468
Department of Agriculture licenses and permits....	2,329	984	1,344
Auto repair facilities and mechanics licenses and fees.....	2,225	242	1,983
Other licenses and permits.....	18,535	11,756	6,779
	80,048	29,253	50,795
MISCELLANEOUS			
Revenue from escheated estates.....	13,500	13,500	-
Air and water surveillance fees.....	5,247	-	5,247
Various fines, fees, and assessments.....	8,437	530	7,906
District court fees.....	5,806	5,806	-
Oil and gas royalties, fees, assignments, and rentals.....	23,430	20,623	2,807
Rental of property.....	2,637	312	2,324
Sale of forest products on tax reverted land.....	2,789	-	2,789
Other miscellaneous.....	23,715	12,994	10,720
	85,564	53,768	31,796
Total Revenue.....	7,153,776	4,108,852	3,044,924
OTHER FINANCING SOURCES			
Operating transfers in:			
From Special Revenue Funds:			
Budget Stabilization Fund.....	16,289	16,289	-
State Lottery Fund.....	122,405	122,246	159
Michigan Transportation Fund.....	33,888	-	33,888
Game and Fish Protection Fund.....	30,835	21	30,813
State Trunkline Fund.....	7,581	-	7,581
Michigan State Waterways Fund.....	4,700	2	4,698
Other.....	15,783	264	15,518
Total From Special Revenue Funds.....	231,483	138,823	92,660
From Other Funds:			
Liquor Purchase Revolving Fund.....	95,746	70,720	25,026
Other.....	8,505	293	8,212
Total From Other Funds.....	104,252	71,013	33,238
Total Other Financing Sources.....	335,735	209,836	125,898
Total Revenue and Other Financing Sources.....	\$ 7,489,511	\$ 4,318,689	\$ 3,170,822

STATE OF MICHIGAN
DISPOSITION OF GENERAL FUND AUTHORIZATIONS
BY BRANCH AND DEPARTMENT
FISCAL YEAR ENDED SEPTEMBER 30, 1981
(In Thousands)

BRANCH AND DEPARTMENT	CURRENT LEGISLATIVE APPROPRIATION	UNEXPENDED BALANCES FROM PRIOR YEARS	RESTRICTED REVENUE ADDITIONS
Executive.....	\$ 2,222	\$ 1	\$ -
Legislative.....	41,655	5,963	720
Judicial.....	36,070	230	5
Management and Budget.....	66,051	24,025	48,090
Attorney General.....	12,833	336	5,378
Civil Rights.....	7,231	3	1,558
Civil Service.....	8,592	15	7,150
State.....	9,692	4,126	53,217
Treasury.....	46,834	498	8,367
Education.....	752,522	5,313	362,740
Colleges and Universities.....	722,428	16,401	504
Public Health.....	81,663	4,168	83,254
Mental Health.....	482,419	19,760	155,187
Social Services.....	1,673,998	2,971	1,573,732
Corrections.....	197,351	12,900	1,375
Military Affairs.....	5,833	1,712	5,734
State Police.....	122,877	3,464	18,359
Transportation.....	-	2	-
Commerce.....	18,819	4,560	65,445
Labor.....	23,788	463	121,586
Licensing and Regulation.....	9,799	10	828
Natural Resources.....	33,153	14,943	83,102
Agriculture.....	18,606	539	6,311
Items Not Assigned to Departments.....	133,953	82,663	568,167
TOTAL.....	\$ 4,508,399	\$ 205,078	\$ 3,170,822

BUDGETARY TRANSFERS IN (OUT)	TOTAL AUTHORIZATIONS	EXPENDED AND TRANSFERRED	ENCUMBERED BALANCES FORWARD	UNENCUMBERED BALANCES FORWARD	LAPSED	OVER EXPENDED OR OVER OBLIGATED
\$ -	\$ 2,223	\$ 2,083	\$ 3	\$ -	\$ 137	\$ -
-	48,339	42,184	960	4,178	1,015	-
575	36,882	36,919	162	-	-	199
(9,582)	128,584	99,960	4,598	17,838	6,189	2
374	18,922	17,441	118	207	1,155	-
-	8,793	8,744	2	-	46	-
(64)	15,694	14,362	11	-	1,320	-
375	67,411	62,212	3,639	519	1,040	-
1,012	56,712	76,650	29	485	2,708	23,161
4,627	1,125,204	1,122,975	760	2,027	6,470	7,029
4,098	743,432	712,199	3,186	5,958	22,088	-
14,203	183,290	177,826	2,280	1,761	2,884	1,463
69,729	727,096	727,460	4,578	3,088	5,838	13,870
(91,803)	3,158,898	3,107,645	1,298	394	65,434	15,874
3,229	214,856	200,461	5,135	7,904	1,392	37
236	13,518	11,950	743	740	90	7
(905)	143,795	134,094	1,029	2,895	5,774	-
-	2	2	-	-	-	-
(2,858)	85,968	80,460	1,399	2,406	1,723	22
2,294	148,133	146,918	960	300	1,577	1,623
3,302	13,941	12,103	76	-	1,761	-
260	131,460	118,791	5,426	5,826	2,316	902
395	25,853	23,723	155	-	1,974	-
497	785,282	687,397	100	93,095	5,188	499
<u>\$ -</u>	<u>\$ 7,884,300</u>	<u>\$ 7,624,571</u>	<u>\$ 36,660</u>	<u>\$ 149,628</u>	<u>\$ 138,131</u>	<u>\$ 64,692</u>

STATE OF MICHIGAN
SCHEDULE OF TAXES, INTEREST AND PENALTIES RECEIVABLE BY FUND
SEPTEMBER 30, 1981
(In Thousands)

<u>AGE</u>	<u>GENERAL FUND</u>	<u>MICHIGAN TRANSPORTATION FUND</u>	<u>SCHOOL AID FUND</u>
0 - 60 Days.....	\$ 573,971	\$ 492	\$ 76,768
61 - 90 Days.....	8,207	84	1,029
91 - 180 Days.....	44,038	427	1,791
181 - 365 Days.....	23,773	800	2,569
1 - 2 Years.....	28,351	518	4,080
Over 2 Years.....	<u>60,652</u>	<u>866</u>	<u>6,150</u>
TOTAL TAXES RECEIVABLE.....	738,995	3,190	92,391
LESS ALLOWANCE FOR UNCOLLECTIBLE TAXES.....	118,797	2,655	12,340
LESS REVENUE EXPECTED TO BE RECEIVED AFTER SEPTEMBER 30, 1982.....	<u>12,924</u>	<u>153</u>	<u>1,771</u>
NET TAXES RECEIVABLE.....	<u>\$ 607,274</u>	<u>\$ 381</u>	<u>\$ 78,279</u>

STATISTICAL SECTION

STATISTICAL DATA—LAST TEN YEARS

STATE OF MICHIGAN
REVENUE BY SOURCE
GENERAL AND SPECIAL REVENUE FUNDS
LAST TEN YEARS
SEPTEMBER 30, 1981
(In Thousands)

<u>SOURCE</u>	<u>1971-1972</u>	<u>1972-1973</u>	<u>1973-1974</u>	<u>1974-1975</u>
TAXES.....	\$ 2,847,471	\$ 3,323,894	\$ 3,467,770	\$ 3,488,331
FEDERAL AGENCIES.....	898,170	1,202,562	1,264,706	1,445,000
LOCAL AGENCIES.....	20,955	19,018	12,114	13,812
SERVICES.....	35,291	38,547	38,802	41,822
LICENSES AND PERMITS.....	204,510	218,373	226,345	237,670
MISCELLANEOUS.....	<u>80,662</u>	<u>169,083</u>	<u>277,179</u>	<u>270,618</u>
TOTAL REVENUE.....	<u>\$ 4,087,062</u>	<u>\$ 4,971,480</u>	<u>\$ 5,286,920</u>	<u>\$ 5,497,256</u>

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

<u>1975-1976</u>	<u>1976-1977</u>	<u>1977-1978</u>	<u>1978-1979</u>	<u>1979-1980</u>	<u>1980-1981</u>
\$ 4,907,922	\$ 4,760,007	\$ 5,389,620	\$ 6,044,023	\$ 6,126,400	\$ 6,195,020
2,144,561	1,840,934	2,066,814	2,129,729	2,452,370	2,602,459
15,692	29,184	36,125	37,982	52,137	212,988
43,612	33,294	37,851	46,332	50,039	55,827
269,002	108,511	97,993	97,875	119,396	127,584
<u>385,958</u>	<u>329,813</u>	<u>445,842</u>	<u>601,977</u>	<u>717,786</u>	<u>735,179</u>
<u>\$ 7,766,751</u>	<u>\$ 7,101,746</u>	<u>\$ 8,074,248</u>	<u>\$ 8,957,921</u>	<u>\$ 9,518,130</u>	<u>\$ 9,929,060</u>

STATE OF MICHIGAN
TAX REVENUE BY SOURCE
GENERAL AND SPECIAL REVENUE FUNDS
LAST TEN YEARS
SEPTEMBER 30, 1981
(In Thousands)

<u>SOURCE</u>	<u>1971-1972</u>	<u>1972-1973</u>	<u>1973-1974</u>	<u>1974-1975</u>
SALES TAX.....	\$ 880,257	\$ 972,731	\$ 1,055,630	\$ 1,111,676
PERSONAL INCOME TAX.....	726,884	917,391	965,704	962,805
CORPORATE INCOME TAX.....	269,223	367,961	295,128	222,307
SINGLE BUSINESS TAX.....	-	-	-	-
LIQUOR, BEER, WINE, AND CIGARETTE TAX..	200,726	206,739	215,165	217,474
MOTOR VEHICLE AND FUEL TAX.....	435,598	494,447	550,321	547,172
OTHER TAXES.....	<u>334,773</u>	<u>364,615</u>	<u>385,812</u>	<u>426,884</u>
TOTAL TAXES.....	<u>\$ 2,847,471</u>	<u>\$ 3,323,894</u>	<u>\$ 3,467,770</u>	<u>\$ 3,488,331</u>

NOTE: In 1975-76, the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

<u>1975-1976</u>	<u>1976-1977</u>	<u>1977-1978</u>	<u>1978-1979</u>	<u>1979-1980</u>	<u>1980-1981</u>
\$ 1,318,947	\$ 1,223,667	\$ 1,376,414	\$ 1,506,294	\$ 1,503,972	\$ 1,594,970
1,566,656	1,465,467	1,712,373	1,943,478	1,912,044	2,036,016
137,298	(23,218)	9,289	13,915	6,975	5,751
354,851	803,525	899,390	1,001,300	1,076,010	942,249
279,703	225,454	229,314	225,930	229,104	243,254
678,675	596,420	615,130	742,512	713,455	652,121
571,784	468,685	547,706	610,592	684,835	720,656
<u>\$ 4,907,922</u>	<u>\$ 4,760,007</u>	<u>\$ 5,389,620</u>	<u>\$ 6,044,023</u>	<u>\$ 6,126,400</u>	<u>\$ 6,195,020</u>

STATE OF MICHIGAN
SCHEDULE OF EXPENDITURES BY FUNCTION
GENERAL AND SPECIAL REVENUE FUNDS
LAST TEN YEARS
SEPTEMBER 30, 1981
(In Thousands)

	<u>1971-1972</u>	<u>1972-1973</u>	<u>1973-1974</u>	<u>1974-1975</u>
Current:				
General government.....	\$ 130,836	\$ 193,347	\$ 249,549	\$ 281,332
Education.....	1,565,774	1,734,821	1,922,559	2,081,217
Health and welfare.....	1,093,131	1,301,610	1,465,776	1,731,176
Public safety and corrections.....	93,093	105,963	121,399	141,889
Conservation and recreation.....	66,944	75,987	87,728	95,846
Regulatory.....	99,451	117,182	125,535	165,791
Mental health.....	191,149	225,085	246,205	278,783
Transportation.....	544,440	569,890	620,956	690,293
Other.....	235,952	294,401	328,226	322,631
Capital outlay.....				
Total Expenditures.....	<u>\$ 4,020,781</u>	<u>\$ 4,618,299</u>	<u>\$ 5,167,947</u>	<u>\$ 5,788,969</u>

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

For years prior to 1978-79, operating transfers to funds other than the General and Special Revenue Funds and capital outlay expenditures are included in "current expenditures."

<u>1975-1976</u>	<u>1976-1977</u>	<u>1977-1978</u>	<u>1978-1979</u>	<u>1979-1980</u>	<u>1980-1981</u>
\$ 441,793	\$ 388,417	\$ 475,273	\$ 566,092	\$ 631,499	\$ 663,521
2,629,984	2,402,842	2,637,032	2,577,051	3,121,272	2,948,951
2,509,930	2,128,233	2,371,985	2,558,304	3,032,898	3,284,977
207,823	197,867	244,587	266,892	309,790	338,219
132,936	115,389	143,620	142,778	171,834	146,769
237,034	206,616	275,724	285,184	347,309	385,649
364,427	326,820	390,287	450,925	537,906	714,708
900,074	744,596	738,101	602,054	669,645	645,777
383,777	493,734	546,373	639,979	667,014	631,474
			396,386	443,852	343,409
<u>\$ 7,807,795</u>	<u>\$ 7,004,533</u>	<u>\$ 7,822,988</u>	<u>\$ 8,885,649</u>	<u>\$ 9,933,024</u>	<u>\$10,103,459</u>

STATE OF MICHIGAN
 RATIO OF ANNUAL GENERAL FUND DEBT SERVICE TRANSFERS FOR GENERAL OBLIGATION
 BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS
 LAST TEN YEARS
 SEPTEMBER 30, 1981
 (In Thousands)

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST AND FISCAL CHARGES</u>	<u>TOTAL DEBT SERVICE TRANSFERS</u>	<u>TOTAL GENERAL FUND EXPENDITURES AND TRANSFERS</u>	<u>RATIO OF DEBT SERVICE TRANSFERS TO GENERAL FUND EXPENDITURES AND TRANSFERS</u>
1971-1972	\$ 6,755	\$ 11,812	\$ 18,568	\$ 2,953,212	.63%
1972-1973	9,000	16,644	25,644	3,486,908	.74
1973-1974	23,542	19,027	42,570	3,886,126	1.10
1974-1975	28,351	18,779	47,131	4,347,054	1.08
1975-1976	34,621	32,639	67,260	5,826,019	1.15
1976-1977	32,626	26,617	59,244	5,326,996	1.11
1977-1978	37,270	25,429	62,700	6,107,850	1.03
1978-1979	40,470	23,088	63,558	6,853,855	.93
1979-1980	34,984	21,085	56,069	7,563,326	.74
1980-1981	33,885	17,341	51,227	7,624,571	.67

NOTE: In 1975-1976 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

Principal and interest on short-term general obligation notes are not included in this bonded debt schedule.

STATE OF MICHIGAN
NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN YEARS
SEPTEMBER 30, 1981
(In Thousands)

	<u>1971-1972</u>	<u>1972-1973</u>	<u>1973-1974</u>	<u>1974-1975</u>
POPULATION*.....	9,013	9,061	9,117	9,111
GROSS BONDED DEBT.....	\$ 368,500	\$ 409,500	\$ 410,500	\$ 556,500
LESS DEBT SERVICE FUNDS.....	<u>-</u>	<u>1,041</u>	<u>225</u>	<u>2,390</u>
NET BONDED DEBT.....	<u>\$ 368,500</u>	<u>\$ 408,459</u>	<u>\$ 410,275</u>	<u>\$ 554,110</u>
NET BONDED DEBT PER CAPITA (IN DOLLARS)...	\$ 40.89	\$ 45.08	\$ 45.00	\$ 60.82

NOTE: In 1975-76 the fiscal year end was changed from June 30 to September 30, resulting in a 15-month period which began on July 1, 1975 and ended on September 30, 1976.

*SOURCE: Federal Bureau of the Census and Michigan Department of Management and Budget

<u>1975-1976</u>	<u>1976-1977</u>	<u>1977-1978</u>	<u>1978-1979</u>	<u>1979-1980</u>	<u>1980-1981</u>
9,113	9,129	9,233	9,208	9,236	9,275
\$ 573,500	\$ 537,500	\$ 527,500	\$ 482,500	\$ 439,100	\$ 409,600
<u>2,655</u>	<u>3,188</u>	<u>4,447</u>	<u>3,385</u>	<u>6,179</u>	<u>5,837</u>
<u>\$ 570,845</u>	<u>\$ 534,312</u>	<u>\$ 523,053</u>	<u>\$ 479,114</u>	<u>\$ 432,920</u>	<u>\$ 403,762</u>
\$ 62.64	\$ 58.53	\$ 56.65	\$ 52.03	\$ 46.87	\$ 43.53